Committee Room,

Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, Lieut. Governor.

We, your Committee on Labor, to whom was referred S. B. No. 305.

Have had same under consideration and I am instructed to report it back to the Senate with recommendation that it do pass and be printed in the Journal.

WESTBROOK, Chairman.

By Senators Greer, Small, S. B. No. 3 Moore, Hornsby, Parrish, Hyer, Russek, Wirtz, Love:

### A BILL To Be Entitled

An Act amending Article 6286, Chapter 2, Title 112 Revised Civil Statutes of the State of Texas of 1925 so as to change the provision of said article relating to the subject to change of general offices, machine shops, or round houses so as to include terminals.

Be it Enacted by the Legislature of the State of Texas:

Section 1. Article 6286 of Chapter 2 of Title 112 Revised Civil Statutes of State of Texas, 1925, is hereby amended so as to hereafter read as follows:

Art. 6286 (6435) (4376) Change of General Offices, etc., Prohibited .-No railroad company shall change the location of its general offices, machine shops, roundhouses or terminals, save with the consent and approval of the Railroad Commission of Texas, and this shall apply also to receivers and to purchasers of the franchises and properties of railroad companies and to new corporations formed by such purchasers or their assigns. The Commission shall not consent to, or approve of, any removal or change of location in conflict with the restrictions of the first article of this chapter. No consent or approval of the Commission shall be required before the return of general offices, machine shops or round-

#### SEVENTEENTH DAY.

Senate Chamber, Austin, Texas, Wednesday, January 30, 1929.

The Senate met at 10 o'clock a. m. pursuant to adjournment, and was called to order by Lieutenant Governor Barry Miller.

The roll was called, a quorum being present, the following Senators answering to their names:

Beck. Moore. Berkelev. Parr. Cousins. Parrish. Cunningham. Patton. Pollard. DeBerry. Gainer. Russek. Greer. Small. Hardin. Stevenson. Holbrook. Thomason. Hornsby. Westbrook. Hyer. Williamson. Love. Wirtz. Witt. Martin. McFarlane. Woodul. Miller Woodward.

Absent-Excused.

Neal.

Prayer by the chaplain.

Pending the reading of the Journal of yesterday, the same was dispensed with on motion of Senator Woodward.

### Petitions and Memorials.

(See Appendix.)

#### Committee Reports.

(See Appendix.)

### Bills and Resolutions.

By Senator Hornsby:

S. B. No. 369, A bill to be entitled "An Act to amend Article 6338, Title 112, Chapter 6 of the Revised Civil Statutes of Texas as adopted in 1925, so as to permit all private or municipal corporations having the right to condemn property for its corporate uses, when sued for any property occupied by it for any purpose for which it is authorized to condemn same, or for damages thereto, to have the court in which such suit is pendhouses to previous locations when ing determine all matters in dispute ordered or required under judgments between the parties, including the in suits now pending in trial or ap- condemnation of the property, upon pellate courts. (Acts. 1915, p. 35.) petition or cross bill, asking such. remedy by defendant; and declaring an emergency.'

Read first time and referred to Committee on Civil Jurisprudence.

By Senator Parr:

S. B. No. 370, A bill to be entitled "An Act fixing the salary of the county commissioners of certain counties by providing for a salary of \$3,600 to be paid the county commissioners of counties having an assessed valuation of \$44,502,489.00 according to the last approved roll filed in the office of the State Comptroller, repealing laws in conflict therewith and declaring an emergency.

Read first time and referred to Committee on State Affairs.

By Senator Hornsby:

S. B. No. 371, A bill to be entitled "An Act authorizing fraternal benefit societies with a lodge system and representative form of government to incorporate as stock companies to do a life insurance business; providing ways and means for securing the approval of the members of such societies, as represented by the subordinate branches; giving the members preference in the way of stock ownership; and providing for a fair distribution of same among the membership; providing further that the new company so incorporated shall succeed to all contracts, liabilities, and property rights of the former society; and declaring an

Read first time and referred to Committee on Insurance.

By Senator Small:

S. B. No. 372, A bill to be entitled "An Act providing for oral arguments of transferred cases in courts of civil appeals at the place to which such cases are transferred; amending Article 1738 of the Revised Civil Statutes of 1925 as amended by Chapter 51 of the General and Special Laws of the First Called Session of the Fortieth Legislature, so as to repeal the law requiring justices of courts of civil appeals to hear oral arguments of transferred cases at the place from which cases have been transferred and regulating such arguments and providing for the exfrom which such cases were trans- in said counties shall exist; declar-

ferred; and declaring an emergency."

Read first time and referred to Committee on Civil Jurisprudence.

By Senator Woodul by request:

S. B. No. 373, A bill to be entitled "An Act to amend Article 1328 of the Revised Civil Statutes of the State of Texas of 1925; relating to keeping of records of stock and transfer thereof and of all of the business transactions of a private corporation, and providing that the books and records shall, at all reasonable times, be open to the inspection of any stockholder, by adding thereto provisions that this right also shall avail to any stock or share holder in any corporation, partner-ship, or trust, holding any of the shares of a subordinate corporation. as well as to the stockholders thereof, as against such subordinate corporation; and providing that on the denial of the right of inspection each stock or share holder shall recover a penalty from the corporation at the rate of \$10.00 per day from the time of the denial of inspection, and that such persons may sue, at their option, for the penalty in connection with a suit for mandamus to procure the inspection, and declaring an emergency.'

Read first time and referred to Committee on Civil Jurisprudence.

By Senator Thomason:

S. B. No. 374. A bill to be entitled "An Act making it unlawful for any person to fish by means of a net in the Counties of Cherokee, Nacogdoches, San Augustine, Angelina, Sabine, Newton, Jasper, and Tyler: declaring the violation of the provisions of this Act shall be deemed a misdemeanor and providing a penalty and declaring an emergency.'

Read first time and referred Committee on State Affairs.

By Senator Thomason:

S. B. No. 375, A bill to be entitled "An Act relating to the killing of wild birds and animals within the borders of the Counties of Cherokee, Nacogdoches, San Augustine, Sabine, Newton and Tyler; relating to the killing of wild animals in the counties of Angelina and Jasper; providpense connected with the hearing of ing the time a closed season against such oral arguments at the place the killing of wild birds and animals

this Act to be a misdemeanor and providing a penalty therefor; providing for the repeal of all laws or parts of laws whether general, special or local in conflict herewith and declaring an emergency."

Read first time and referred to Committee on State Affairs.

By Senator Woodul:

S. B. No. 376, A bill to be entitled "An Act conferring upon all cities and towns in Texas and conferring upon all independent school districts having 150 scholastics or more, the right and power by the exercise of the right of eminent domain to acquire the fee simple title to real property, for the purpose of supplying playgrounds, sites upon which to build school houses, and for such other purposes as may be necessary for such schools, and providing that the assessing of damages shall be in conformity to the statutes of the State of Texas for condemning and acquiring property by railroads, and providing a method whereby any such city or town or independent school district may take possession of any property condemned after the award of the commissioners, and repealing all laws both general and special in conflict herewith, and declaring an emergency."

Read first time and referred Committee on State Affairs.

By Senator Greer:

S. B. No. 377, A\_bill to be entitled "An Act to prevent the purchase of automobiles by the State for the use of officers and employees; making provision for certain officers and employees; furnishing their cars and providing for payment of the expense and maintenance and operation of same when used in State business: and declaring an t emergency."

Read first time and referred Committee on State Affairs.

By Senator Parr:

S. B. No. 378, A bill to be entitled "An Act fixing an open season for hunting, taking or killing wild buck deer in the Counties of Nueces, Kleberg, Kennedy, Willacy, Cameron, Hidalgo, Starr, Brooks, Duval, Jim Wells, Jim Hogg, Zapata, Webb, La the payment of amounts due them Salle, Dimmit, Zavala, Frio and Mc-Mullen; amending Article 879g of filed by such drillers; requiring them

ing the violation of any provision of the Penal Code of 1925 as amended by Chapter 215 of the General and Special Laws of the Regular Session of the Fortieth Legislature; and declaring an emergency.'

Read first time and referred to Committee on State Affairs.

By Senator Miller:

S. B. No. 379, A bill to be entitled "An Act to amend Chapter 74 of the Local and Special Laws enacted by the Thirty-ninth Legislature at its Regular Session, approved March 7. 1925, same being a Special Road Law for Denton County, by adding thereto Section 19-A authorizing the commisioners' court of Denton to issue bonds of said county for the purpose of funding or refunding indebtedness incurred for road and bridge purposes, and to levy a tax in payment thereof, and providing that if the validity of the indebtedness to be funded by such bonds is not questioned in any suit or proceedings within sixty days from the adoption of the order of the commissioners court authorizing the issuance of such bonds, then such indebtedness shall be conclusively presumed to be valid, and by adding thereto Section 19-B, requiring the commissioners' court to make and adopt each year a budget of expenditures based upon the tax levy and to keep such expenditures within said budget. Said budget shall not exceed the available funds of the county; providing, however, that in cases of emergency when storm, overflow or public calamity has occurred the said court shall depart from said budget as the circumstances may require as herein provided; fixing a penalty for violations of the provisions hereof and declaring an emergency.'

Read first time and referred to Committee on State Highways and Motor Traffic.

By Senator Woodward:

S. B. No. 380, A bill to be entitled "An Act to protect and secure persons, firms, corporations, artisans, laborers, mechanics and sub-con-tractors, furnishing labor, materials, machinery, fixtures or tools in connection with the drilling, re-drilling or deepening of oil or gas wells, in for same; providing for a bond to be to procure a certificate from the districts; and declaring an Railroad Commission; providing penalties for violation of this Act; enacting provisions necessary and incidental to the subject and purpose of the Act; and declaring an emergency."

Read first time and referred to Committee on Civil Jurisprudence.

By Senator Hornsby:

S. B. No. 381, A bill to be entitled "An Act to amend Article 6669 of the Revised Civil Statutes defining therein the words "experienced and skilled," to provide the amount of bond of the State Highway Engineer, repealing all laws in conflict therewith and declaring an emergency."

Read first time and referred to Committee on State Affairs.

## By Senator Parrish:

S. B. No. 382, A bill to be entitled "An Act making an appropriation to secure sites and erect monuments on certain historic spots in the State; providing for the appointment by the Governor of a committee to carry out the purpose and intent of this Act, and appropriating a sum of money sufficient to pay the actual traveling and living expenses of said committee while engaged in said work; and declaring an emergency."

Read first time and referred to Committee on Finance.

## By Senator Witt:

S. B. No. 383, A bill to be entitled "An Act to amend Article 1040 of the Code of Criminal Procedure of the State of Texas, relating to allowances for Federal prisoners by providing that net profits as therein defined shall not include any profits derived from the support of Federal prisoners, held under Article 5117. of the Revised Civil Statutes of this State, and declaring an emergency."

Read first time and referred to Committee on State Affairs.

#### By Senator Witt:

S. B. No. 384, A bill to be entitled "An Act to validate organization of certain independent school districts and validating the board of trustees of same, and providing that they shall have the powers conferred by the laws of this State applicable to voted much of his time and fortune such district, and validating all proceedings and acts of same heretosold and now outstanding of said and art collections for public good,

emergency."

Read first time and referred to Committee on Educational Affairs.

#### By Senator Greer:

S. B. No. 385, A bill to be entitled "An Act relating to the State Board of Education; providing for the appointment of the members of said Board; prescribing their qualifications, terms of service and duties; authorizing them to appoint a State Superintendent of Public Instruction and upon his recommendation and nomination to set up a State Department of Education and appoint its staff; and, in general, authorizing said Board to assume and discharge the duties assigned by law to the State Board of Education and the State Superintendent of Public Instruction, providing for an appropriation to pay the expenses of said Board, repealing all laws in conflict with this Act; and declaring emergency.'

Read first time and referred to Committee on Educational Affairs.

#### S. J. R. No. 17.

Senator Parrish sent up the following resolution:

By Senator Parrish:

S. J. R. No. 17, A joint resolution "Relating to the amendment of Article 5, Sections 15, 21 and 23 of the Constitution of the State of Texas, abolishing the fee system of compensation for the offices of county judge, county attorney, and sheriffs; providing that such officers be paid salaries, and further providing that the Legislature pass laws necessary to carry out the intent of this Act, and to fix the amount of such salaries to be paid the respective officers."

Read first time and referred to Committee on Constitutional Amendments.

# Simple Resolution No. 51.

Senator Witt sent up the following resolution:

Whereas the Honorable Archer M. Huntington, of New York, has manifested a profound interest in Spanish-American culture and to the study of this culture, and

Whereas the Honorable fore taken and had as authorized and M. Huntington has acquired his book and has rendered the present and Patton. United | Russek. future generations of the States a lasting service in collecting and preserving the best in art and literature from the various parts of the world, and

Whereas the State of Texas is likewise interested in the history and culture of the Spanish-American nations, since their history and background are in part the history and background of Texas, and

Whereas the Honorable Archer M. Huntington has seen fit to give to the University of Texas some four thousand (4000) acres of land to be used as the Regents of the University may see fit in the establishing of a museum, and

Whereas he presented to the Library of the University several thousand rare volumes of books and some works of art, and

Whereas the Honorable Archer M. Huntington has generously done these fine things for Texas,

Now, Therefore, The Senate of Texas expresses to him its appreciation and thanks and assures him of the gratitude of the people of Texas.

And the Texas Senate directs that the Secretary of the Senate mail a copy of this resolution to the Honorable Archer M. Huntington.

WITT. GREER. BERKLEY. SMALL.

The resolution - was read and adopted.

## Senate Bill No. 356.

On motion of Senator Woodward, S. B. No. 356 was placed on the table subject to call.

### Motion to Recommit Senate Bill No. 88.

Senator Cousins moved to recommit S. B. No. 88 to the Committee on Criminal Jurisprudence.

Senator Holbrook moved to table the motion. The motion to table prevailed by the following vote:

#### Yeas-18.

Beck. Hardin. Berkeley. Holbrook. Cunningham. Hornsby. DeBerry. Martin. Gainer. Moore.

Williamson. Wirtz. Witt. Thomason. Westbrook. Woodul.

Nays—10.

Cousins. Greer. Hyer. Love. McFarlane.

Parr. Parrish. Pollard. Small. Stevenson.

Absent.

Miller.

Woodward.

Absent-Excused.

Neal.

#### House Bill No. 21.

The Chair laid before the Senate, on second reading, the following bill:

By Harman, Baldwin and Westbrook:

H. B. No. 21, A bill to be entitled "An Act providing for expense account for constables in certain counties to be allowed and paid out of the general fund of the county, and declaring an emergency."

The committee report was adopted. The bill was read second time and passed to third reading.

On motion of Senator Witt, the constitutiona' rule requiring bills to be read on three several days was suspended and H. B. No. 21 was put on its third reading and final passage, by the following vote.

## Yeas-30.

Beck. Moore. Berkeley. Parr. Cousins. Parrish. Cunningham. Patton DeBerry. Pollard. Gainer. Russek. Greer. Small. Hardin. Stevenson. Holbrook. Thomason. Hornsby. Westbrook. Hyer. Williamson. Love. Wirtz. Martin. Witt. Woodul. McFarlane. Miller.

Absent-Excused.

Woodward.

## Neal.

The bill was read third time and finally passed by the following vote:

#### Yeas-30.

Beck. Moore Berkelev. Parr. Parrish. Cousins. Cunningham. Patton. Pollard. DeBerry. Gainer. Russek. Greer. Small. Hardin. Stevenson. Thomason. Holbrook. Westbrook. Hornsby. Hyer. Williamson. Love. Wirtz. Witt. Martin. Woodul. McFarlane. Miller. Woodward.

Absent—Excused.

Neal.

#### Senate Bill No. 286.

Senator Pollard received unanimous consent to take up out of its regular order the following bill:

S. B. No. 286, A bill to be entitled "An Act making certain emergency appropriations out of the general revenue of the State for the several departments of the State of Texas, as named herein, for the balance of the fiscal year ending August 31, 1929, and declaring an emergency."

The bill was read second time. Senator Hornsby sent up the following amendment:

Amend S. B. No. 286 by inserting between Lines 8 and 9, Page 5 of printed bill by adding emergency appropriation of \$4,500 to provide for printing of Volumes 110, 111 and 112 of court of criminal appeals report.

The amendment was read and adopted.

Senator Pollard sent up the following amendment:

Amend S. B. No. 286 by adding after the words "assistant bookkeeper—\$200.00," on Line 23, Page 1, the words, "balance due newspapers of the State for notices published concerning constitutional amendments submitted to the people, for the fiscal years ending August 31, 1928, and August 31, 1929—\$7,-000.00."

POLLARD.

The amendment was read and adopted.

Senator Wirtz sent up the following amendment:

Amend S. B. No. 286, Page 5, Line McFarlane.

7, by striking out the figures "\$500" and inserting in lieu thereof the figures "\$750."

WIRTZ.

The amendment was read and adopted.

Senator Witt sent up the following amendment:

Amend S. B. No. 286 by inserting between Lines 15 and 16, Page 2, the following:

The Texas State Library and Historical Commission, State Library:

To pay traveling expenses of librarian, assistants, library examining board and commissioners, on official business, including traveling expenses of library organizer from Sept. 1, 1928 to August

31, 1929 \$1,000.00 Contingent from Feb. 1, 1929 to August 31, 1929 \$ 100.00

The amendment was read and adopted.

Senator Witt sent up the following amendment:

Amend S. B. No. 286 by inserting between Lines 9 and 10, Page 5, the following:

Court of Civil Appeals of the Tenth Supreme Judicial District of Waco, Texas, to purchase law books for the Court's Library, from February 1, 1929, to August 31, 1929 \$1,000.00

The amendment was read and lost by the following vote:

## Yeas-11.

Beck. Parr.
Berkeley. Small.
Cousins. Williamsor.
Greer. Wirtz.
Holbrook. Witt.

## Nays—13.

Cunningham. Miller.
DeBerry. Patton.
Gainer. Pollard.
Hornsby. Stevenson.
Hyer. Westbrook.
Martin. Woodward.

#### Absent.

Hardin. Moore. Parrish.

Russek. Thomason. Woodul.

Absent-Excused.

#### Neal.

Senator Witt sent up the following amendment:

Amend S. B. No. 286 by inserting between Lines 9 and 10, Page 5, the following:

To pay traveling and living expenses of judges in the several courts of civil appeals of the State of Texas, on transferred cases; from February 1, 1929, to August 31, 1929 \$1,000.00

The amendment was read and adopted.

Senator Woodward moved to lay the bill on the table subject to call. The motion prevailed.

## S. J. R. No. 7.

The Chair laid before the Senate, on third reading the following resolution:

S. J. R. No. 7.

Proposing an amendment to the State Constitution providing that the Permanent University Fund shall be invested in bonds of the United States, the State of Texas or counties of said State, or in-school bonds of municipalities or in bonds of any city of this State having a population of 10,000 or more according to the latest United States census, or in bonds issued under and by virtue of the Federal Farm Loan Act approved by the President of the United States, July 17, 1926, and amendments thereto.

The resolution was read third time and finally passed by the following vote:

## Yeas-30.

Beck.	Love.
Berkeley.	Martin.
Cunningham.	McFarlane.
DeBerry.	Miller.
Gainer.	Moore.
Greer.	Parr.
Hardin.	Patton.
Holbrook.	Pollard.
Hornsby.	Russek.
Hyer.	Small.

Stevenson. Wirtz.
Thomason. Witt.
Westbrook. Woodul.
Williamson. Woodward.

Absent-Excused.

Neal.

## Senate Bill No. 150.

Senator Small moved to take up out of its regular order the following bill:

S. B. No. 150, A bill to be entitled "An Act to confirm and validate all patents and awards issued on lands lying across or partly across or abutting on water courses or navigable streams or the beds or abandoned beds thereof, or parts thereof, and to relinquish, quitclaim and grant to patentees and awardees and their assignees all of such lands, and minerals therein contained, across or abutting on water courses or navigable streams and also the beds or abandoned beds thereof, and minerals therein contained, where such patents or awards have been issued and outstanding for a period of five years from the date thereof and have not been cancelled or forfeited, without impairing the rights of the general public, the state, riparian owners or appropriation owners in the waters of such streams, and providing that with respect to lands sold by the State of Texas expressly reserving title to minerals in the State, such reservation shall not be affected by this Act and that the patentees or awardees and their assignees shall have the same rights, title and interest in the minerals in the beds or abandoned beds of such water courses or navigable streams that they have in the uplands covered by the same patents, and declaring an emergency."

The motion prevailed by the following vote:

### Yeas—24

Parrish. Beck. Berkeley. Patton. Pollard. Cousins. Cunningham. Russek. Small. DeBerry. Gainer. Stevenson. Greer. Westbrook. Holbrook. Williamson. Wirtz. Love. Witt. Miller. Woodul. Moore. Parr. Woodward.

Nays-2.

Hornsby.

Hyer.

Absent.

Hardin. Martin. McFarlane. Thomason.

Absent-Excused.

Neal.

The bill was read second time. Senator Witt sent up the following amendments:

Amend S. B. 150 as follows: Amend the Caption as follows:

On line 25, page 1, of the printed bill, after the word "Patents" add the following: And providing that all of the provisions of this Act shall apply equally to all Spanish and Mexican land grants and titles issued by the Spanish and Mexican Governments prior to the Texas Revolution of 1836, which have been subsequent-

of 1836, which have been subsequently recognized by the Republic of Texas or by the State of Texas as valid.

The amendment was read and adopted.

Amend the Bill by adding thereto Section 3, immediately after Section 2, and renumber the succeeding Section the following:

Sec. 3. All of the provisions of this Act shall apply equally to all Spanish and Mexican land grants and titles issued by the Spanish and Mexican Governments prior to the Texas Revolution of 1836, which have subsequently been recognized by the Republic of Texas or by the State of Texas as valid.

The amendment was read and adopted.

Amend S. B. 150 as follows:

By striking the word "five" from line 15 page 1 and insert in lieu thereof, the word "Ten," and strike the word "Five" from lines 9 and 19 page 2 of the bill and insert the word ten in each line.

WITT.

The amendment was read and adopted.

## Bills Signed.

The Chair, Lieut. Gov. Barry Miller, gave notice of signing, and did sign, in the presence of the Senate, after their captions had been read, the following bills:

H. B. No. 44. S. B. No. 135. H. B. No. 120. S. B. No. 67.

S. B. No. 136. S. B. No. 9.

## Messages From the House.

The Chair recognized the Doorkeeper, who introduced a messenger from the House with the following messages:

Hall of the House of Representatives, Austin, Texas, January 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following resolution:

S. C. R. No. 13, inviting the Prison Board to address a joint session of the House and Senate at 2 p. m. Thursday, January 31, 1929.

Respectfully submitted, LOUISE SNOW PHINNEY, Chief Clerk, House of Representatives.

Hall of the House of Representatives, Austin, Texas, January 30, 1929. Hon Barry Miller, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House has passed the following bills:

H. B. No. 17, A bill to be entitled "An Act to amend Article 2094, Article 2095, and Article 2096 of the Revised Statutes of 1925, relating to the selection of jurors; amending Article 2094 of the Revised Statutes, 1925, providing for the appointment of jury commissioners to select jurors in certain counties."

By Senator Berkeley:

S. B. No. 9, A bill to be entitled "An Act to create the One Hundred and Ninth Judicial District of Texas, and to designate the counties constituting said district, and fixing the time for holding court therein; reorganizing the Seventieth District of Texas, and designate the counties constituting said district and fixing the time for holding court in the various counties of said district; providing that the judge of said Seventieth Judicial District of Texas shall be the district attorney of the one hundred and Ninth Judicial District of Texas, until the next general election, and his successors shall have been elected and qualified; providing for the appointment of a judge for the newly created One Hundred and Ninth Judicial District of Texas, and for the appointment of a district attorney for the Seventieth Judicial District Texas as herein constituted at the

next general election in this state, each two years thereafter; validating all process, writs, bonds and recognizances of every kind and character heretofore issued, or entered into, and all grand and petit jurors selected and drawn under the existing laws by the various counties effected by this Act and described, that same shall be returnable, and said jurors served for the next term of court in the various counties affected after the taking effect of this Act; providing that if any term of court shall be in session in any county in the former Seventieth Judicial District of Texas at the time of the taking effect of this Act, same shall continue in session until adjournment of the term, and thereafter the term of court in such county shall be held in conformity with this Act; providing for the repeal of all laws or parts of laws in conflict herewith, and declaring an emergency."

By Senator Greer:

S. B. No. 67, A bill to be entitled "An Act to amend Chapter 40, Acts of the Fortieth Legislature, First Called Session, relating to the extension of teachers' certificates, and declaring an emergency."

By Senator Pollard:

S. B. No. 135, A bill to be entitled "An Act making appropriations to cover deficiencies in appropriations heretofore made for the support of the State Government for the fiscal years ending August 31, 1927, August 31, 1928, and August 31, 1929, and declaring an emergency."

By Senator Pollard:

S. B. No. 136, A bill to be entitled "An Act making appropriation to cover deficiencies in appropriations heretofore made for the support of the Judiciary Department of the State Government of the State of Texas, for the fiscal years ending August 31, 1925, 1926, 1927 and 1928, and declaring an emergency."

Respectfully submitted, LOUISE SNOW PHINNEY. Chief Clerk, House of Representatives.

Hall of the House of Representatives, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: I am directed by the House to inform the Senate that the House Love. agrees to concur in Senate Amend- McFarlane.

ments to H. B. No. 120 by a vote of 116 yeas and 2 nays.

Respectfully submitted. LOUISE SNOW PHINNEY, Chief Clerk, House of Representatives.

#### House Bills Referred.

H. B. No. 17, read first time and referred to the Committee on Civil Jurisprudence,

#### Recess.

On motion of Senator Woodward, the Senate, at 12:00 o'clock noon, recessed until 2:00 o'clock p. m.

#### After Recess.

The Senate was called to order at 2:00 o'clock p. m., pursuant to recess, by Lieutenant Governor Barry Miller.

#### Senate Bill No. 150.

The question recurred upon the engrossment of S. B. No. 150.

Senator Moore sent up the following amendment:

Amend S. B. 150 as amended, Page 2, Line 1, by striking out the word "10" and substitute in lieu thereof "25," wherever the word "10" appears in the bill or caption.

MOORE HYER

The amendment was read. Senator Pollard moved to lay the bill on the table subject to call.

Senator Cousins moved to table the motion. The motion to table prevailed by the following vote:

## Yeas-18.

Parrish. Beck. Berkeley. Patton. Cousins. Small. Cunningham. Stevenson. Thomason. Gainer. Greer. Wirtz. Holbrook. Witt. Martin. Woodul. Parr. Woodward.

## Nays-12.

DeBerry.
Hardin.
Hornsby.
Hyer.
Love.
Miller.
Moore.
Pollard.
Russek.
Westbrook.
Wefarlane.
Williamson.

#### Absent-Excused.

#### Neal.

Senator Moore's amendment was lost.

Senator Miller sent up the following amendment:

Amend S. B. No. 150 as amended by striking out the word "ten" where it appears in the caption and body of the bill and substitute in lieu thereof the word "fifteen."

#### MILLER.

The amendment was read and lost by the following vote:

#### Yeas—11.

DeBerry. McFarlane.
Hardin. Miller.
Hornsby. Moore.
Hyer. Pollard.
Love. Westbrook.
Martin.

## Nays-17.

Patton. Beck. Small. Berkeley. Stevenson. Cousins. Thomason. Cunningham. Williamson. Gainer. Wirtz. Greer. Woodul. Holbrook. Woodward. Parr. Parrish.

Absent.

Russek.

Witt.

Absent—Excused.

## Neal.

Senator Pollard sent up the following amendment:

Amend S. B. No. 150, Line 26, by adding after semicolon the following: "Nor shall relinquish or quitclaim any number of acres of land in excess of the number of acres of land conveyed to said patentees or awardees in the original patents granted by the State."

POLLARD.

Senator Holbrook moved the previous question on the amendment and the bill. The previous question failed to be ordered by the following vote:

#### Yeas-14.

Beck. Holbrook.
Berkeley. Hornsby.
Cousins. Parrish.
Cunningham. Small.
Gainer. Stevenson.

Thomason. Witt.

Woodul. Woodward.

Nays-15.

DeBerry. Moore.
Greer. Parr.
Hardin. Patton.
Hyer. Pollard.
Love. Westbrook.
Martin. Williamson.
McFarlane. Wirtz.

Miller.

Absent.

Russek.

Absent—Excused.

#### Neal.

The amendment was adopted. Senator Parr moved the previous question. The previous question was ordered by the following vote:

## Yeas-17.

Beck. Parrish. Berkeley. Patton. Cousins. Small. Cunningham. Stevenson. DeBerry. Thomason. Gainer. Witt. Holbrook. Woodul. Martin. Woodward. Parr.

# Nays-12.

Greer. Miller.
Hardin. Moore.
Hornsby. Pollard.
Hyer. Westbrook.
Love. Williamson.
McFarlane. Wirtz.

## Absent.

Russek.

Absent—Excused.

#### Neal.

The bill as amended passed to engrossment by the following vote:

## Yeas-21.

Beck. Patton. Pollard. Berkeley. Small. Cousins. Stevenson. Cunningham. DeBerry. Thomason. Gainer. Williamson. Greer. Wirtz. Witt. Holbrook. Woodul. Martin. Parr. Woodward. Parrish.

## Nays-8.

Hardin. Hornsby. McFarlane. Miller.

Hyer. Love.

Westbrook.

Moore.

Absent.

Russek.

Absent-Excused.

#### Neal.

The motion of Senator Small that the constitutional rule requiring bills to be read on three several days be suspended was lost by the following vote:

#### Yeas-21.

Beck.
Berkeley.
Cousins.

Patton.
Pollard.
Small.
Stevenson.

Cunningham. Gainer. Greer.

Thomason.
Williamson.
Wirtz.

Hardin. Holbrook. Martin. Parr.

Witt. Woodul. Woodward.

Parrish.

Nays-8.

DeBerry. Hornsby. Hyer. McFarlane. Miller. Moore. Westbrook.

Absent.

Russek.

Love.

Absent—Excused.

Neal.

## Senate Bill No. 286.

Senator Pollard called up from the table S. B. No. 286.

Senator Woodward sent up the following amendments:

Amend S. B. No. 286 by striking out the word "February", Page 3, Line 23, and insert therein the word "March."

#### WOODWARD.

The amendment was read and adopted.

Amend S. B. No. 286 by striking out the figures \$1,200 in Line 1, Page 4, and insert therein the figures \$1,500.

The amendment was read and adopted.

Amend S. B. No. 286 by striking out the figures \$300,00 in Line 7, Page 4, and insert therein the figures \$600.00.

The amendment was read and adopted.

Amend S. B. No. 286 by striking out Line 2, Page 4, and insert therein "Assistant automobile rater \$900."

The amendment was read and adopted.

Senator Martin sent up the following amendment:

Amend S. B. No. 286 by adding to appropriation for Tenth Court of Civil Appeals the following:

For year ending August, 31, 1929 ......\$ 800.00

The amendment was read and adopted by the following vote:

### Yeas-25.

Beck. Patton. Berkeley. Pollard. Cousins. Russek. Cunningham. Small. DeBerry. Stevenson. Gainer. Thomason. Greer. Westbrook. Hyer. Williamson. Love. Wirtz. Martin. Witt. Moore. Woodul. Parr. Woodward. Parrish.

Nays-2.

Hornsby.

McFarlane.

Absent.

Hardin. Holbrook. Miller.

Absent—Excused.

#### Neal.

Senator Martin sent up the following amendment:

Amend S. B. No. 286 by striking out on Page 3 all of Line 20 to Line 11 inclusive on Page 4.

MARTIN.

Senator Witt moved to table the amendment. The motion prevailed.

The bill as amended passed to engrossment.

On motion of Senator Pollard, the constitutional rule requiring bills to be read on three several days was suspended and S. B. No. 286 was put

on its third reading and final passage, by the following vote:

#### Yeas-29.

Beck. Parr. Berkeley. Parrish. Cousins. Patton. Cunningham. Pollard. Russek. DeBerry. Small. Gainer. Stevenson. Greer. Thomason. Hardin. Holbrook. Westbrook. Hornsby. Williamson. Wirtz. Hyer. Witt. Love. Woodul. McFarlane. Woodward. Miller. Moore.

Nays—1.

Martin.

Absent—Excused.

#### Neal.

The bill was read third time and finally passed by the following vote:

## Yeas-30.

Beck. Moore. Berkeley. Parr. Cousins. Parrish. Cunningham. Patton. Pollard. DeBerry. Gainer. Russek. Small. Greer. Stevenson. Hardin. Holbrook. Thomason. Hornsby. Westbrook. Williamson Hyer. Witt. Love. Wood. Martin. Woodul. McFarlane. Woodward. Miller.

Absent-Excused.

# Neal.

### Investigating Committee Appointed.

The Chair announced the appointment on the part of the Senate to investigate the Highway Department and the Board of Control:

Senators Beck, Parrish and Woodul.

## Committee Page Appointed.

The Chair anounced the appointthe Committee investigating Land Office.

#### Reasons for Vote.

Senator Hyer received permission to have printed in the Journal his reasons for his vote on S. B. No. 150. See Appendix.

### Senate Bill No. 293.

Senator Parr received unanimous consent to take up out of its regular order the following bill:

S. B. No. 293, A bill to be entitled "An Act converting the South Texas State Teachers College into the Texas College of Arts and Industries at Kingsville, Texas; providing for a continuance of the work of the College as a State Teachers College and in addition thereto providing for work at said College suitable to a College of Arts and Industries; providing for the organization, control and management thereof, the appointment of a board of directors and selection of a president, the division of its work into branches of education and training; providing for the granting of appropriate degrees and giving of special courses in certain subjects; changing the management of the South Texas State Teachers College from the board of directors of the Texas College of Arts and Industries as provided for in this Act: etc., and declaring an emergency."

On motion of Senator DeBerry, the bill was laid on the table subject to call.

## Adjournment.

On motion of Senator Woodward, the Senate, at 4:15 o'clock p. m., adjourned until 10:00 o'clock Thursday morning.

### APPENDIX.

# Petitions and Memorials.

Whereas, The present state prison system is generally conceded to be altogether unsatisfactory, grossly extravagant in the method of operation, inhuman as to conditions made necessary in the handling of prisoners by reason of inadequate, unsanitary housing conditions; lacking in opportunity for classification by which to obtain the maximum of rement of Prentiss Burkett as page for sults in work performed and in the habilitating men and women so they may reenter citizenship under con-

ditions favorable to themselves and society: wholely deficient as to facilities for industrial activities; a menace to public safety, by reason of frequent escapes of prisoners due to inadequacy in buildings, walls and barriers necessary to their confinement; and

Whereas, The prison board and other authorities entrusted with handling prison affairs are hopelessly without authority to materially improve conditions in these and numerous other respects by reason of official limitation of power, making necessary the enactment of special laws, therefore be it

Resolved. That we, the authorized representatives of citizens of Brazoria County, Texas, hereby declare ourselves in favor of acentralized prison system in line with the plans and policy of Governor Dan Moody and the present prison board, as we understand it, and,

That the citizens of Resolved, Brazoria county stipulate in part, as possible specifications which we believe to be important in the enactment of remedial legislation as follows: Provisions for the sale of any and all lands and other properties as may be deemed necessary and proper and to secure lands to an amount not to exceed a total of 30, 000 acres, to include lands to be utilized for diversified farming and for pasturage purposes; that said lands be sold in tracts of forty (40), eighty (80), one hundred and sixty (160), and not to exceed three hundred (300), acres to any one purchaser or associate purchasers. That said sales be made on a basis of a cash payment | Industrial Association. of ten (10) per cent of the total purchase price, with annual payments of twenty (20) per cent of the amount remaining unpaid, with interest at the rate of five (5) per cent per annum on deferred payments. That purchasers shall begin actual improvements on said lands, of proportions sufficient to show good faith in the utilization of such lands for the purpose for which it was purchased and not for speculation; that adequate appropriation be provided by legislative action to provide funds with which to begin as soon as practical, the construction of a prison plant, modern in all details, including barrick walls, adequate living quaters for both the prison popu-

and well equipped hospitals; industrial plant equipped with facilities for the manufacture as far as possible, of all articles used by the state, including a cannery, packery and other equipment for conserving food products to be produced on a diversified farm system, for the various institutions maintained by the State: including in the industrial activities of the prison plant, the manufacture of cement for state use; manufacture of automobile license plates; a modern printing plant adequately equipped for printing blank forms, and other printed matter used by the State; that provisions be made for the segregation of prisoners, as far as practical, according to a classification for obtaining best results in their moral, spiritual, physical and economic habilitation, and

Resolved; That a copy of these resolutions be retained in the files of the Brazoria County Agricultural & Industrial Association and that copies be sent to Governor Dan Moody, Prison Commissioner R. H. Baker, the Lieutenant Governor, the speaker of the house, and the chairman of the House and Senate prison committees.

L. MIMS O. G. WELLBORN J. HARRIS. SCOTT GAINES. A. R. RUCKS. Resolutions Committee. Angelton, Texas. January 28, 1929. E. L. BOSTON, President, ALVIN F. JONES, Manager. Brazoria County Agricultural &

## (TELEGRAM.)

Dallas, Texas Jan. 29 1929. Hon. Barry Miller, Lieutenant Governor.

Austin, Texas.

The Texas Industrial Traffic League composed of Chambers Commerce shippers organizations and shippers throughout the State in meeting last night passed following resolution concerning public utilities bill by Senator Holbrook "Resolved that we are opposed to creation of additional boards or commissions for the regulation of public utilities. Common carriers of State are public utilities and have been lation and civilian attachees; modern regulated by Railroad Commission

nearly forty years. The knowledge and facts gained by that body in connection with the supervision, control and regulation of common carriers, necessarily will apply in connection with the regulation of other public utilities and we feel that the Railroad Commission of Texas with its records and the knowledge gained since its creation in 1891 is the proper body and the most capable body to which should be committed the regulation of any public utilities regardless of the extent to such regulation is thought to be necessarv." We are not opposed regulation of public utilities but are opposed to the creation of additional commissions or board which would result in creating additional jobs and additional taxation.

> FRANK A. LEFFINGWELL, Secretary.

Chairman Committee on Elections, The Senate, State of Texas,

Austin, Texas.

In behalf of the overwhelmingly dominant Democratic party of Tarrant County and representative of the 16,000 legal voters who are Democrats and who at the last general election in Texas voted for the entire Democratic State and local ticket, including the Democratic candidate for United States Senator, we earnestly urge upon your Committee favorable action on Senate Bill No. 14, known as the "Freedom of Conscience Bill", introduced by Senator Thomas B, Love.

In view of the pre-election declaration of Chairman Wilcox and the continued activities of the so-called "Regular Democrats" looking toward keeping "Hoover Democrats" as voters or candidates out of the Democratic primary in 1930, we are confronted with a situation urgently demanding prompt affirmative legislation to the end that the fundamental institutions of our country may be preserved and the Democratic party saved from the menace of those forgetful of the sacred rights of citizenship who would rule or wreck | Senator Tom Love, our party. Where coercion begins Texas Senate, Austin, Texas. Democracy ends.

Cato Sells, J. W. Smith, Anna must pass or Texas is lost to Demo-Shelton, O. A. Tarlton, Mrs. W. L. cratic party. Horse racing bill must George, A. E. Chambers, J. L. Stuck- be killed or same is true. ert, J. F. Vickery, Ned Lydick, Walter B. Sloan, Alice Haliberton, John

B. Collier, Jr., F. W. Axtell, E. B. Randle, Mrs. B. A. Copass, B. A. Copass, George F. Rozelle, Mrs. Raymond Buckley, Mrs. J. T. Bloodworth, Mrs. J. W. Cooper, Mrs. S. R. Hoyt, A. C. Barker, J. L. Goolsby, L. R. Scarborough, Cullen H. Booth, O. D. Pemberton, W. L. George, Joe B. Hills, W. A. Arnold, W. H. Aber-nathy, E. H. Stealey, C. A. Thieler, A. L. Jackson, Mrs. Cato Sells, Harry Keeton, Mrs. Ned Lydick, Mrs. W. W. Barrett, Sterling Clark, Fred Burns, V. Erskin Williams, R. M. Bucy, Ed H. Winton, Mrs. Gardner, Mrs. R. F. Bly, L. P. Davidson, Mrs. L. P. Davidson, Calow D. Hall, Marvin D. Evains, B. W. Owens, Douglas Tomlinson.

Dallas, Texas, Jan. 28, 1929. Senator Thomas B. Love, Care Senate of Texas, Austin, Texas.

Honorable Sir:

House Bill No. 61, validating the Dallas County Fresh Water Supply District No. 9 should not be passed by the Senate. If you realize the fraudery and the details of this case, knowing you to be an honorable man, we feel that you will not let anything slip by people who have supported you in the past years. We feel that this is dollars against majority and beg of you to strain your efforts in helping the people of this community to keep down unlawful taxes for years to come.

This bill is favored only by a few, mostly the ones that will benefit by its passing in a financial standpoint. There are 600 to 1,200 people that hope this bill will be thrown out of the Senate. Any assistance will be greatly appreciated.

Very respectfully yours, CITIZENS OF BROADMOOR, MRS. LILLIAN HOUGHTALING, Head of Committee. MRS. ANDREW HOUGHTALING, 2646 South Seevers.

#### (TELEGRAM)

Colorado, Texas, Jan. 28, 1929.

Your freedom of conscience bill

cratic party. Horse racing bill must

A. E. EWELL. Pastor First Christian Church.

### Committee on Engrossed Bills.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon, Barry Miller, President of the Senate.

We, your Committee on Engrossed Bills, have had S. J. R. No. 7 carefully examined and compared, and find the same correctly grossed.

WESTBROOK, Chairman.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 51 carefully examined and compared, and find the same correctly grossed.

WESTBROOK, Chairman.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 159 carefully examined and compared, and find the same correctly grossed.

WESTBROOK, Chairman.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Engrossed Bills, have had S. B. No. 157 carefully examined and compared, and find the same correctly grossed.

WESTBROOK, Chairman.

## Committee Reports.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir. We. your Committee State Affairs, to whom was referred S. B. No. 236, A bill to be entitled "An Act to permit the State of Texas or any Texas corporation created as an eleemosynary institution without profit, to own or acquire, and to permit counties to make grants and donations thereto, of any properties duties and compensations; providing heretofore acquired by any such for a special fund to be derived from county for seawall purposes; repeal- fees; providing for certificates of ing all laws and parts of laws in registration; defining the qualificaconflict with the provisions of this tions of certified civil engineers; pro-Act; and declaring an emergency." | viding for a record of registration;

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room,

Austin, Texas, Jan. 29, 1929. Hon. Barry Miller President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred H. B. No. 87, A bill to be entitled "An Act to amend Article 7117 Chapter 5, of Title 122 of the Revised Civil Statutes of Texas, 1925 codification so as to exempt from inheritance tax intangible personal property of a non-resident who was, at the time of his death, a resident of a state or territory of the United States or of a foreign country which did not impose a transfer or inheritance tax of any character in respect of intangible personal property of a resident of this State or whose laws contained a reciprocal provision under which non-residents were exempt from such transfer or inheritance tax of such intangible personal property, provided the State or territory or foreign country of the residence of such non-resident allowed a similar exemption to residents of the State, territory or foreign country of the residence of such decedent, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senatė.

We, your Committee Sir: State Affairs, to whom was referred S. B. No. 166, A bill to be entitled "An Act to provide an adequate method of regulating the practice of civil engineering in the State of Texas, in order to safeguard health, property and the public welfare; creating a board for the examination and certification of civil engineers and prescribing its powers,

providing for revocation of such certificates; providing for appeals from revocation; providing a penalty for the practice or attempted practice of civil engineering without a certificate of registration; providing for annual renewal fee; providing for the certifying of drawings and reports made by a certified civil engineer; providing for temporary licenses and exemption under certain conditions; repealing all laws in conflict herewith, and providing matters and things incidental to said purpose; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 140, A bill to be entitled "An Act to prevent expending public funds for improvements or construction by day labor costing over \$5,000 without estimate, plans and specifications therefor and advertisement for bids and keeping and filing cost accounts and statements, excepting ordinary maintenance and repair work and work made immediately necessary by public calamity, and providing penalty for violation of this Act and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929, Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

H. B. No. 12, A bill to be entitled "An Act to amend Article 7125 of the Revised Civil Statutes of 1925 so as to exempt Estates upon which inheritance taxes have been levied within five years from date of second passage of said estates, and declaring an emergency."

Have had the same under consideration, and I am instructed to re- eration, and I am instructed to re-

port it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 319, A bill to be entitled "An Act to amend Article 2943 of Chapter Three, Title 50, of the Revised Civil Statutes of Texas, 1925, regulating the pay of judges clerks of general and special elections; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 349, A bill to be entitled "An Act relating to financial management and control of any incorporated city or town that has, or may hereafter default in payment of bonds or other obligations lawfully issued thereby; prescribing proceedings of court for appointment of receiver therefor under orders of District Court of proper jurisdiction; providing that powers of governing body of such municipality shall not be affected or restricted except as herein provided; prescribing powers and duties of receiver; providing that the limit of taxation for any specially chartered city shall be governed by the Constitution of the State of Texas and not by the provisions of any special charter; providing that all valid obligations shall be of equal standing and providing that all levies legally made for the payment of bonds and obligations shall constitute a prior pledge thereof for that purpose to the full amount of such defaults have been remedied and fully satisfied, including interest and costs of receivership; enacting provisions incident and necessary to the subject and purpose of this act; and declaring an emergency."

Have had the same under consid-

port it back to the Senate with the recommendation that it do pass. WIRTZ, Chairman.

Committee Room,

Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 254, A bill to be entitled "An Act to amend Article 3884 Revised Civil Statutes of 1925 relating to compensation of deputies and assistants of certain District and County officers; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 210, A bill to be entitled "An Act to amend Article 7332 of Chapter 10. Title 122, of the Revised Civil Statutes of the State of Texas of 1925, relating to fees in delinquent tax suits, and declaring an emergency.

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

WIRTZ, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 227, A bill to be entitled "An Act to safeguard life, health and property, and the public welfare, and to protect the public against the irresponsible practice of the profession of architecture; defining and regulating the practice of architecture; creating a Board of exceed \$15,000.00 in any one year Architectural Examiners; providing out of the general fund of the counfor their appointment; fixing the ty for any purpose coming within the terms of office of the members of authority of the commissioners court said Board: providing for the appointment of their successors and for filling vacancies occurring in the membership of said Board; fixing the qualifications of the members

aminers; requiring such members to take the oath of office and file same in the office of the Secretary of State; providing for the election from the membership of said Board of a president, a vice-president, and a secretary, and making the secretary treasurer of said Board; requiring such secretary-treasurer to file a bond in the office of the Secretary of State; fixing the form and amount of such bond and providing for its approval; \* \* \*; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass with the following Committee Amendment.

#### Committee Amendment.

Amend Senate Bill No. 227 as fol-Add a new Section to be known as Section 16-a, reading as follows:

Nothing in this act shall prevent qualified professional engineers from planning and supervising work such as railroads, hydroelectric work, industrial plans and other construc-tions primarily intended for engineering use or structures incidental thereto but such engineers shall not employ the title architect in any way nor represent themselves as such nor shall any engineer practice the profession of architecture as defined in Sec. 11 of this Act unless they be registered as architects under the provisions of this law.

WIRTZ, Chairman.

Committee Room,

Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

S. B. No. 316, A bill to be entitled "An Act authorizing any county having a taxable value of Two Hundred Ninety Million Dollars or more according to the latest approved tax rolls of the county to spend not to exceed \$15,000.00 in any one year of the county under the laws of this State relative to reclamation or conservation; and declaring an emergency."

Have had the same under considof said Board of Architectural Ex- eration, and I am instructed to report it back to the Senate with the recommendation that it do not pass, but that the Committee Substitute, hereto attached, do pass in lieu thereof WIRTZ, Chairman.

By Woodul. C. S. S. B. 316.

An Act authorizing any county having taxable values of Two hundred ninety million dollars or more according to the latest approved tax rolls of the county to spend not to exceed \$15,000.00 in any one year out of the general fund of the county for the purpose of making a preliminary engineering survey, relating to drainage, reclamation, conservation, levee improvement, or water control; and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. In any county in this State having taxable values of two hundred ninety million dollars or more, according to the latest approved tax rolls of the county, the commissioners' court may spend not to exceed \$15,000.00 in any one year out of the general fund of the county for the purpose of making a preliminary engineering survey relating to drainage, reclamation, conservation, levee improvement, or water control.

Sec. 2. The fact that the Commissioner's Court in said counties should have the authority herein conferred, and that the present laws are inadequate on this subject; creates an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended and that this Act shall take effect and be in force from and after its passage and said rule is hereby suspended and it is so enacted.

Committee Room. Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred

H. B. No. 48, A bill to be entitled "An Act to amend Subdivision 3, of Article 3926, Revised Statutes, 1925, relating to the payment of salary to the County Judge by the Commissioner's Court for presiding over said court, ordering elections, making returns thereof, hearing and determin-

other official business, by providing that in counties having \$290,000,-000.00 assessed valuation, or more, and which have established therein institutions for the care of dependent and delinquent boys and girls, the County Judge shall receive the further sum of \$3,000.00 per annum which shall be ex-officio and not to be accounted for as fees of office, but in addition to all amounts allowed under the Maximum Fee Bill: and declaring an emergency.'

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass, but that it be not printed as there is a Senate Bill on the same subject.

WIRTZ, Chairman.

## (Majority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We. a majority of your Committee on Privileges and Elections, to whom was referred

S. B. No. 149, A bill to be entitled "An Act regulating the placing of candidates on the ballot in primary elections of political parties; enacting provisions designed to secure party loyalty before a person shall have his name printed on the ballot in primary elections of political parties as a candidate providing remedies and penalties to carry out the purpose of this Act, and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do pass. HOLBROOK, Chairman.

## (Minority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Privileges and Elections, to whom was referred,

S. B. No. 149, A bill to be entitled "An Act regulating the placing of candidates on the ballot in primary elections of political parties; enacting provisions designed to secure party loyalty before a person shall have his name printed on the ballot in priing civil causes, and transacting all mary elections of political parties as

a candidate, providing remedies and penalties to carry out the purpose of this Act, and declaring an emergency."

Have had the same under consideration, and beg leave to differ with a majority of the Committee, and report it back to the Senate with the recommendation that it do not pass.

LOVE. COUSINS.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Privileges and Elections, to whom was referred.

S. B. No. 209, A bill to be entitled "An Act enacting provisions designed to compel the sending in to the seat of government and to the Secretary of State of returns in elections and primary elections; defining offenses and providing for penalties and remedies to accomplish such purpose; and declaring an emergency.

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass.

HOLBROOK, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Privileges and Elections, to whom was referred.

S. B. No. 248, A bill to be entitled "An Act to amend Article 7631, Chapter 2, Title 128 of the Revised Civil Statutes of Texas of 1925, providing for the regulating of elections to be held in water improvement districts and defining who are qualified voters in water improvement districts and authorizing the Commissioners' Court to order the first election, create the proposed district into one or more election precincts, name the polling places, appoint officers of elections, providing for the preparation of ballots and the wording that shall be placed on such ballots and to amend Article 7641, same chapter and title, defining who shall be eligible to hold office in water improvement districts and declaring an emergency.

Have had the same under consid-

port it back to the Senate with the recommendation that it do pass, HOLBROOK, Chairman.

## (Majority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate

Sir: We, a majority of your Committee on Privileges and Elections, to whom was referred,

S. B. No. 14, A bill to be entitled "An Act requiring freedom of conscience in all political parties nominating candidates for office in this State; and declaring to be against public policy, and unlawful, and void and of no effect, any party pledge or test or agreement in so far as it may limit or interfere with the right of a voter participating as a voter in the primary election or convention of a party, thereafter to vote in accordance with the dictates of conscience at the general election, and providing that no such party pledge or test or agreement shall ever be construed by any executive committee or court to limit the voter's conscience or to bind the voter to cast a vote against conscience, and limiting the power of a State executive committee of a political party and repealing all laws in conflict with this Act, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass. HOLBROOK, Chairman.

### (Minority Report.)

Committee Room. Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Privileges and Elections, to whom was referred,

S. B. No. 14, A bill to be entitled "An Act requiring freedom of conscience in all political parties nominating candidates for office in this State; and declaring to be against public policy, and unlawful, and void and of no effect, any party pledge or test or agreement in so far as it may limit or interfere with the right of a voter participating as a voter in the primary election or convention of a party, thereafter to vote in accorderation, and I am instructed to re-lance with the dictates of conscience

at the general election, and providing that no such party pledge or test or agreement shall ever be construed by any executive committee or court to limit the voter's conscience or to bind the voter to cast a vote against conscience, and limiting the power of a State executive committee of a political party and repealing all laws in conflict with this Act, and declaring an emergency."

Have had the same under consideration, and beg to leave to differ with a majority of the Committee, and report the same back to the Senate with the recommendation that it do pass.

LOVE. COUSINS.

## (Majority Report.)

Committee Room. Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a majority of your Committee on Privileges and Elections,

to whom was referred.

S. B. No. 15, A bill to be entitled "An Act to amend Art. 207 of the Penal Code of the State of Texas. which provides that a county chairman or member of a county executive committee failing or refusing to have the name of a candidate, lawfully certified to him, printed on the official primary election ballot, shall be confined in the penitentiary not less than one nor more than five years, so as to provide that violations of said Article may be prosecuted in any county in which voters reside who are lawfully entitled to vote for or against the candidate whose name is omitted from the official ballot and declaring an emergency."

Have had the same under consideration, and I am instructed to report the same back to the Senate with the recommendation that it do not pass.

HOLBROOK, Chairman.

# (Minority Report.)

Committee Room. Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Privileges and Elections. to whom was referred,

"An Act to amend Art. 207 of the

Penal Code of the State of Texas. which provides that a county chairman or member of a county executive committee failing or refusing to have the name of a candidate, lawfully certified to him, printed on the official primary election ballot, shall be confined in the penitentiary not less than one year nor more than five years, so as to provide that violations of said Article may be prosecuted in any county in which voters reside who are lawfully entitled to vote for or against the candidate whose name is omitted from the official ballot and declaring an emergency."

Have had the same under consideration, and beg leave to differ with a majority of the Committee, and report it back to the Senate with the recommendation that it do pass.

> LOVE. COUSINS.

### (Majority Report.)

Committee Room,

Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a majority of your Committee on Privileges and Elections, to whom was referred,

S. B. No. 16, A bill to be entitled "An Act to amend Article 230 of the Penal Code of the State of Texas, which provides that 'any judge, clerk, chairman or member of an executive committee, collector of taxes, county clerk, sheriff, county judge or judge of an election, president or member of a state convention, or secretary of state who willfully fails or refuses to discharge any duty imposed on him under the law, shall be fined not to exceed five hundred dollars, so as to provide that violations of said Article may be prosecuted in any county in which voters reside who are lawfully entitled to vote for or against any candidate whose nomination or election is affected by such violation, and declaring an emergency."

Have had the same under consid-. eration, and I am instructed to report it back to the Senate with the recommendation that it do not pass. HOLBROOK, Chairman.

## (Minority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. S. B. No. 15, A bill to be entitled Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Privileges and Elections,

to whom was referred,

S. B. No. 16, A bill to be entitled "An Act to amend Article 230 of the Penal Code of the State of Texas, which provides that 'any judge, clerk, chairman or member of an executive committee, collector of taxes, county clerk, sheriff, county judge or judge of an election, president or member of a state convention, or secretary of state who willfully fails or refuses to discharge any duty imposed on him under the law, shall be fined not to exceed five hundred dollars,' so as to provide that violations of said Article may be prosecuted in any county in which voters reside who are lawfully entitled to vote for or against any candidate whose nomination or election is affected by such violation, and declaring an emergency.

Have had the same under consideration and beg leave to differ with a majority of the committee, and report the same back to the Senate with the recommendation that it do pass.

> LOVE. COUSINS,

## (Majority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a majority of your Committee on Privileges and Elections. to whom was referred.

S. B. No. 55, A bill to be entitled "An Act to amend Article 3159, Chapter 13, Title 50. of the Revised Civil Statutes of 1925 relating to the nomination of Non-Partisan and Independent Candidate for Public Office,"

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass. HOLBROOK, Chairman.

## (Minority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Privileges and Elections. to whom was referred.

S. B. No. 55, A bill to be entitled "An Act to amend Article 3159, nance, to whom was referred,

Chapter 13, Title 50, of the Revised Civil Statutes of 1925 relating to the nomination of Non-Partisan and Independent Candidate for Public Office,'

Have had the same under consideration, and beg leave to differ with a majority of the Committee, and report it back to the Senate with the recommendation that it do pass.

> LOVE. COUSINS.

## (Majority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

We, a majority of your Com-Sir: mittee on Privileges and Elections, to whom was referred,

S. B. No. 277, A bill to be entitled "An Act amending Article 2978 of the Revised Statutes of 1925 so as to eliminate the requirements that the name of no candidate shall appear more than once upon the official ballot, and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do not pass.

HOLBROOK, Chairman,

## (Minority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Privileges and Elections, to whom was referred,

S. B. No. 277, A bill to be entitled "An Act amending Article 2978 of the Revised Statutes of 1925 so as to eliminate the requirement that the name of no candidate shall appear more than once upon the official ballot, and declaring an emergency."

Have had the same under consideration, and beg leave to differ with a majority of the Committee, and report it back to the Senate with the recommendation that it do pass.

> LOVE, COUSINS

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Fi-

11-Jour.

S. B. No. 251, A bill to be entitled "An Act to authorize the Board of Directors of the Agricultural and Mechanical College of Texas to establish and maintain a horticultural and agricultural experiment station at some point within the limits of Atascosa, Bexar, Dimmit, Frio, La-Salle. Maverick, Medina, Uvalde, Webb or Zavala Counties in the State of Texas for the purpose of making scientific investigation and experiment in the production of fruits, citrus fruits, nuts and vegetables and methods of combating insect pests and diseases of said products in the said section and conducting scientific experiments in poultry raising and dairying, authorizing said Board of Directors to acquire a suitable site therefor, and to accept donations of land and money for said purpose, providing that such experiment station shall be under the general supervision of said Board of Directors, and providing that unless donations of land within said territory with available water for irrigation purposes thereon suitable and sufficient for said experiment station are made for said purpose, said experiment station shall not be established, and declaring an emergency."

Have had the same under consideration, and I am instructed to report back to the Senate that it do pass, and be not printed.

POLLARD, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Civil Jurisprudence, to whom was re-

S. B. No. 214, A bill to be entitled "An Act to amend Article 1302, Chapter 1. Title 32, of the Revised Statutes of 1925, by adding thereto Section 91, so as to provide for the creation of private corporations for the purpose of owning lands in the Water Control and Improvement Districts, Levy Improvement Districts, Drainage Districts and all lands susceptible of reclamation by levies, draining or irrigation, in aid of the development and improvement of lands reclaimed, or to be reclaimed, within such districts, so that such lands may be speedily improved, subdivided, sold and utilized, and declaring an emergency."

eration, and I am instructed to report it back to the Senate with the recommendation that it do pass. WOODWARD, Chairman.

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

We, your Committee on Sir: State Affairs, to whom was referred S. B. No. 370, A bill to be entitled "An Act fixing the salary of the County Commissioners of certain counties by providing for a salary of \$3,600 to be paid the County Commissioners of counties having an assessed valuation of \$44,502,489.00 according to the last approved roll filed in the office of the State Comptroller, repealing laws in conflict therewith, and declaring an emergency.'

Have had same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be not printed.

WIRTZ, Chairman.

Committee Room. Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on State Affairs, to whom was referred,

S. B. No. 348, being "An Act amending Article 978e of the Penal Code of the State of Texas, making it unlawful to buy, sell, possess or transport for the purpose of sale, barter or exchange, any fresh water crappie or bass within the State of Texas, prescribing penalties, but exempting from the provisions hereof fresh water crappie or bass propagated and raised in private ponds or lakes having no outlet or inlet into any of the public streams or waters of this State and not subject to overflow from rivers or other streams within the borders of this State.'

Have had the same under consideration and beg leave to report it back to the Senate with the recommendation that it do pass, with Committee amendment.

WIRTZ, Chairman.

Committee Room, Austin. Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Fi-Have had the same under consid- nance, to whom was referred,

S. B. No. 5, A bill to be entitled "An Act making appropriations to pay the salaries of officers and employees of certain eleemosynary institutions of the State, and other expenses of maintaining and conducting them for the two fiscal years, beginning September 1, 1929, and ending August 31, 1931, as follows, towit: Abilene State Hospital; Austin State School; Austin State Hospital: Pasteur Institute; Confederate Home; Confederate Woman's Home; Deaf, Dumb and Blind Institute for Youths; Girls' Training School; Home for Dependent and Neglected Children: State Hospital for Crippled and Deformed Children at Galveston; State Juvenile Training School; State Orphans' Home; Rusk State Hospital; San Antonio State Hospital; Terrell State Hospital; State Tuberculosis Sanatorium; Wichita Falls State Hospital; and declaring an emergency."

Have had the same under consideration, and I am instructed to report it back to the Senate that it do pass, and be printed.

POLLARD, Chairman.

(Majority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

We, your Committee on Fi-Sir: nance, to whom was referred.

S. B. No. 239, A bill to be entitled "An Act appropriating two million, eight hundred thousand dollars per year or so much thereof as may be necessary for the next two fiscal years for the purpose of promoting rural school education and equalizing the school opportunities afforded by the State to all children of scholastic age living in small and financially weak districts; authorizing the State Board of Education and State Superintendent of Public Instruction to aid such schools in accordance with conditions herein specified; providing for the maintenance of all rural schools which meet the requirements of this Act a term not exceeding seven months out of State school funds; providing limited equipment for rural schools that will afford instruction and demonstration on home and farm vocations; providing assistance in the formation and main-

plan; providing for the use of an amount not to exceed three hundred thousand dollars for the payment each year of the biennium of high school tuition of rural school pupils according to the provisions of Chapter 181, General Laws of the State of Texas, Fortieth Legislature, Regular Session; providing for the administration of the funds appropriated herein by the State Board of Education and the State Superintendent of Public Instruction; providing for the manner of payment and disbursement of all moneys granted under the provisions of this Act; repealing all laws and parts of laws in conflict herewith and declaring an emergency.'

Have had the same under consideration, and I am instructed by a majority of the Committee to report it back to the Senate with the recommendation that it do not pass and be not printed.

POLLARD, Chairman.

(Minority Report.)

Committee Room, Austin, Texas, Jan. 29, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, a minority of your Committee on Finance, to whom was referred.

S. B. No. 239, A bill to be entitled "An Act appropriating two million, eight hundred thousand dollars per year or so much thereof as may be necessary for the next two fiscal years for the purpose of promoting rural school education and equalizing the school opportunities afforded by the State to all children of scholastic age living in small and financially weak districts; authorizing the State Board of Education and State Superintendent of Public Instruction to aid such schools in accordance with conditions herein specified; providing for the maintenance by all rural schools which meet the requirements of this Act a term not exceeding seven months out of State school funds; providing limited equipment for rural schools that will afford instruction and demonstration on home and farm vocations; providing assistance in the formation and maintenance of rural high school districts according to a county-wide plan; providing for the use of an amount tenance of rural high school dis- not to exceed three hundred thoutricts according to a county-wide sand dollars for the payment each

year of the biennium of high school tuition of rural school pupils according to the provisions of Chapter 181, General Laws of the State of Texas, Fortieth Legislature, Regular Session; providing for the administration of the funds appropriated herein by the State Board of Education and the State Superintendent of Public Instruction; providing for the manner of payment and disbursement of all moneys granted under the provisions of this Act; repealing all laws and parts of laws in conflict herewith and declaring an emergency."

Beg to differ with a majority of your Committee, and report the same back to the Senate with the recommendation that it do pass, and be printed.

SMALL.

Committee Room.
Austin, Texas, Jan. 30, 1929.
Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred,

S. B. No. 233, A bill to be entitled "An Act to prohibit Domestic Insurance carriers from doing business in any other State or Territory of the United States or the Dominion of Canada without being legally admitted to do so under the laws of such State, Territory, or Dominion, and providing for the revocation of the license of any such carrier, and the payment of a tax by such carrier to such State, Territory or Dominion."

Have had the same under consideration, and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in the Journal.

MOORE, Chairman.

By Moore.

S. B. No. 233.

### A BILL To Be Entitled

An Act to prohibit Domestic Insurance carriers from doing business in any other State or Territory of the United States or the Dominion of Canada without being legally admitted to do so under the laws of such State, Territory, or Dominion, and providing for the revocation of the license of such carrier and the payment of a tax by such carrier to such State, Territory, or Dominion.

Be it enacted by the Legislature of the State of Texas:

Section 1. It shall be unlawful for any Domestic Insurance carrier of any type duly qualified or chartered under the laws of this State to do business in any other State or Territory of the United States or the Dominion of Canada, or to write insurance covering any person or property in such other State, Territory, or Dominion, or to solicit such business, without first being legally admitted and authorized so to do under the laws of said State, Territory or Dominion.

Sec. 2. For violation of this Act by any such insurance carrier, the Board of Insurance Commissioners may revoke the license or authority of such carrier doing business in this State and may require said carrier to pay the taxes upon said business so unlawfully written to the State or Territory of the United States or the Dominion of Canada in which said business was so written as provided by the laws of such said State, Territory or Dominion.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred

S. B. No. 294, A bill to be entitled "An Act defining group life insurance; providing that no policy of group life insurance shall be issued or delivered unless and until a copy of the form thereof has been filed with the Life Insurance Commissioner and formally approved by him, stipulating the provisions which must be contained in such policy; providing the manner of paying the proceeds of any such insurance; providing the method of computing the reserves on such policies; prohibiting the issuance of any contract of life insurance covering a group except as provided by the provisions of the Act, and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate and recommend that it do pass, with committee amendments, and be printed in the Journal.

MOORE, Chairman.

Amendment No. 1.

Amend Section 1 of S. B. 294 by adding, after the period at the end

guage:

"The provisions of this Section, however, shall not apply to any group insurance now in effect, or to any renewals thereof."

## Amendment No. 2.

Amend S. B. No. 294 by striking out the period at the end of Subdivision (4) of Section 2 thereof, and inserting the following language:

"which policy may or may not contain provision for disability benefits and provision for accidental death benefits, at the option of the Company."

#### Amendment No. 3.

Amend S. B. No. 294 by adding, in line 6 on page 3 thereof, between the word "applications" and the word 'as', the following:

"and comply with conditions as to the insurability"

### Amendment No. 4.

Amend S. B. No. 294 by changing the word "the" to "this" immediately before the word "Act" in Section Six thereof.

By Senator Wirtz S. B. No. 294

## A BILL To Be Entitled

An Act defining group life insurance; providing that no policy of group life insurance shall be issued or delivered unless and until a copy of the form thereof has been filed with the Life Insurance Commissioner and formally approved by him, stipulating the provisions which must be contained in such policy; providing the manner of paying the proceeds of any such insurance; providing the method of computing the reserves on such policies; prohibiting the issuance of any contract of life insurance covering a group except as provided by the provisions of this Act. and declaring an emergency.

Be it Enacted by the Legislature of the State of Texas:

Section 1. Group life insurance is hereby declared to be that form of life insurance covering not less than twenty-five employees written under a policy issued to the employer, the premium for which is to be paid by

of said Section, the following lan- and employees jointly, and insuring all of his employees, or all of any class or classes thereof determined by conditions pertaining to the employment, for amounts of insurance based upon some plan which will preclude individual selection, for the benefit of persons other than the employer; provided, however, that when the premium is to be paid by the employer and employees jointly and the benefits of the policy are offered to all eligible employees, not less than seventy-five per centum of such employees may be so insured. For the purposes of this act the members of any labor union who are actively engaged in the same occupation shall be considered employees of such union.

- Sec. 2. No policy of group life insurance shall be issued or delivered in this state unless and until a copy of the form thereof has been filed with the Life Insurance Commissioner of the State of Texas and formally approved by him, nor shall such policy be so issued or delivered unless it contains provisions substantially as follows:
- (1). A provision that the policy shall be incontestable as to any individual employee not later than two years from the date of the issuance to such employee of the certificate hereinafter provided for, except for nonpayment of premiums on the policy, and which provision may or may not, at the option of the company, contain exceptions for violations of the conditions of the policy relating to naval and military service in time of war.
- (2). A provision that the policy, the application of the employer and the individual applications, if any, of the employees insured, shall constitute the entire contract between the parties, and that all statements made by the employer or by individual employees shall, in the absence of fraud, be deemed representations and not warranties, and that no such statement shall be used in defense of a claim under the policy, unless it is contained in a written application.
- (3). A provision for the equitable adjustment of the premium or the amount of insurance payable in the event of a misstatement of the age of an employee.
- (4). A provision that the company the employer or by the employer will issue to the employer for deliv-

ery to the employee, whose life is in- liability on the insurance on such sured under such policy, an individual certificate setting forth a statement as to the insurance protection to which he is entitled, to whom payable, together with provision to the effect that in case of the termination of the employment for any reason whatsoever the employee shall be entitled to have issued to him by the company, without evidence of insurability, and upon application made to the company within thirty-one days after such termination, and upon the payment of the premium applicable to the class of risk to which he belongs and to the form and amount of the policy at his then attained age, a policy of life insurance in any one of the forms customarily issued by the company, except term insurance, in an amount equal to the amount of his protection under such group insurance policy at the time of such termination.

(5). A provision that to the group or class thereof originally insured shall be added from time to time all new employees of the employer eligible to insurance in such group or class who file applications as required by the terms of the policy.

Any such policy may be issued or delivered in this state which in the opinion of the Life Insurance Commissioner contains provisions on any one or more of the several requirements set forth in Section. 2 hereof more favorable to the employer or employee than by said section required, and any such policy may contain any other provisions which meet with the approval of the Life Insurance Commissioner, provided such provisions are not in conflict with and of the provisions required by Section 2 hereof to be contained in the policy.

Sec. 4. The proceeds of the insurance on any employee under any such group policy may be paid by the insurance company either to the employer in trust for the beneficiary designated by the employee to receive such proceeds, or to the beneficiary so designated, and any payment so made by the insurance company in the absence of a notice in writing of an adverse claim to the proceeds received by the company at its home office prior to such payment shall fully discharge the company from all pass, but that the committee substi-

employee.

Sec. 5. The reserve values of all policies of group life insurance shall be computed upon the basis of the American Men Ultimate Table of Mortality, with interest at the rate of three per cent or three and one-half per cent per annum, as provided in such policies.

Sec. 6. Except as provided in the Act it shall be unlawful to make a contract of life insurance covering a group in this state.

The fact that there is now Sec. 7. no law defining group life insurance or regulating the issuance of policies of group life insurance, and that a necessity exists for a law defining and regulating this class of insurance, creates an emergency and an imperative necessity that the constitutional law requiring bills to be read on three several days shall be suspended, said rule is hereby suspended, and this act shall take effect and be in force from and after its passage, and it is so enacted.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

We, your Committee on In-Sir: surance, to whom was referred

S. B. No. 297, A bill to be entitled "An Act amending Articles 4275 and 4276 of the Revised Civil Statutes of 1925; designating the securities in which the funds of life insurance companies may be invested; providing that if a domestic life insurance company reinsures the business and takes over the assets of a foreign life insurance company, the investments of such company so taken over and reinsured, if authorized, when made, by the laws of the State of its incorporation, shall be considered as valid securities of the domestic company so taking it over; providing that the provisions of the Act shall not invalidate any investments heretofore made by a domestic life insurance company, if such investments were legally authorized when made; defining 'Texas Securities' and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate and recommend that the original bill do not tute do pass and be printed in the Journal and not otherwise. MOORE, Chairman.

Committee Substitute for S. B. No. 297:

### A BILL To Be Entitled

An Act amending Articles 4725 and 4766 of the Revised Civil Statutes of 1925; designating the securities in which the funds of life insurance companies may be invested; providing that if a domestic life insurance company reinsures the business and takes over the assets of another life insurance company, either domestic or foreign, the investments of such company SO taken over and reinsured, if authorized, when made, by the laws of the State of its incorporation, shall be considered as valid securities of the domestic company so taking it over, providing such investments are approved by the Board of Insurance Commissioners of this State and, same are taken over on terms satisfactory to said Board; providing that the provisions of this Act shall not invalidate any investments heretofore made by a domestic life insurance company, or any renewal thereof, if such investments were legally authorized when made; defining "Texas Securities" and declaring an emergency.

Be it Enacted by the Legislature of the State of Texas:

Section 1. That Article 4725 of State of Texas of 1925 be and the same is hereby amended so as hereafter to read as follows:

"Article 4725. A life insurance company, organized under the laws of this State may invest in or loan upon the following securities, and none others, viz:

(1). It may invest any of its funds and accumulations in the bonds of the United States or of any State, county or city of the United States; or in any bonds or interest bearing warrants issued by authority of law by any county, city, town, school district or other municipality or subdivision which is now or hereafter may

this State, provided legal provision has been made by a tax to meet said obligations; or in any paving certificates issued by any city in the State of Texas and secured by a first lien on real estate; or in bonds issued under and by virtue of the Federal Farm Loan Act approved July 17, 1916, when such bonds are issued against and secured by promissory notes or other obligations, the payment of which is secured by mortgage, deed of trust or other valid lien upon unincumbered real estate situated in this State; or in first mortgage bonds on real and/or personal property of any solvent corporation which has paid, out of its actual earnings, dividends of an average of at least five per cent per annum on the par value of all of its par value stock outstanding and on the sale value of all of its no par value stock outstanding for a period of at least five years next preceding the date of such investment which has not at any time defaulted in the payment of interest on any of its obligations, but in no event shall the amount of such investment in the bonds of any one such corporation exceed five per cent of the admitted assets of the insurance company making the investment.

(2). It may loan any of its funds and accumulations, taking as security therefor such collateral as under the previous subdivision it may invest in. It may also make loans upon first liens upon real estate, the title to which is valid and the value of which the Revised Civil Statutes of the is double the amount loaned thereon; or on any obligation secured collaterally by any such first liens. If any part of the value of such real estate is in buildings, such buildings shall be insured against loss by fire for at least fifty per cent of the value thereof with loss clause payable to such company. It may also make loans upon the security of or purchase of its own policies. No loan on any policy shall exceed the reserve value thereof. No investment or loan, except policy loans, shall be made by any such insurance company, unless the same shall first have been authorized by the board of directors, or by a committee be constituted or organized under the charged with the duty of supervising laws of this State, and is authorized such investments or loans. No such to issue such bonds and warrants company shall subscribe to, or parunder the constitution and laws of ticipate in, any underwriting of the

purchase or sale of securities or property, or enter into any such transaction for such purpose, or sell on account of such company jointly with any other person, firm or corporation; nor shall any such company enter into any agreement to withhold from sale any of its property; but the disposition of its property shall be at all times within the control of its board of directors.

Sec. 2. That in any case in which a life insurance company, organized under the laws of this State, shall reinsure the business and take over the assets of another life insurance company, either domestic or foreign, all investments of such reinsured company that were authorized, when made, by the laws of the State in which it was organized, as proper securities for investment of the funds of a life insurance company, and which are taken over by such reinsuring company, shall be considered as valid securities of such reinsuring company under the laws of this State, provided such investments are approved by the Board of Insurance Commissioners of this State, and same are taken over on terms satisfactory to said Board.

Sec. 3. That the provisions of this Act shall not render illegal any investment heretofore made by a life insurance company which investment was authorized by the laws of this State when made or the renewal of any such investment.

Sec. 4. That Article 4766 of the Revised Civil Statutes of 1925 be and the same is hereby amended so as to hereafter read as follows:

"Article 4766. The term 'Texas Securities,' as used in this chapter, shall be held to include all bonds issued under and by virtue of the Federal Farm Loan Act, approved July 17, 1916, when such bonds are issued against and secured by promissory notes or other obligations, the payment of which is secured by mortgage, deed of trust or other valid lien upon unincumbered real estate situated in this State; bonds of the State of Texas; bonds or inbearing warrants of any county, city, town, school district, or other municipality or subdivision, which is now or may hereafter be constituted or organized and authorized to issue such bonds or warrants under the constitution

laws of this State; promissory notes and other obligations, the payment of which is secured by a mortgage, deed of trust or other valid lien upon unincumbered real estate situated this State, the title to which real estate is valid and the market value of which is double the amount loaned thereon, exclusive of buildings, unless such buildings are insured against fire and kept insured in some company authorized to transact business in this State, and the policy or policies transferred to the company taking such mortgage or lien; obligations secured collaterally by such first lien notes; first mortgage bonds of any solvent corporation incorporated under the laws of this State and doing business in this State, and which has paid, out of its actual earnings, dividends of an average of at least five per cent per annum on the par value of all of its par value stock outstanding and on the sale value of all of its no par value stock outstanding for a period of at least five years next preceding the date of such investment, and which has not at any time defaulted in the payment of interest on any of its obligations, any such investments in the bonds of any one such corporation not to exceed five per cent of the admitted assets of the insurance company making the investment; and loans made to policy holders on the sole security of the reserve values of their policies. The investments required by this chapter may be made by the purchase of not more than one building site, and in the erection thereon of not more than one office building, or in the purchase, at its reasonable market value, of such office building already constructed and the ground upon which the same is located, in any city of the State of more than four thousand inhabitants. All real estate owned by life insurance companies in this State, on December 31, 1909, and all thereafter acquired under the provisions of this chapter, or by foreclosure of a lien thereon, shall be treated, to the extent of its reasonable market value, as a part of the investment required by this chapter. And 'Texas Securities' shall be held to include every character of investment authorized by the terms of this article."

war- Sec. 5. The fact that the Texas and life insurance companies have large

sums of money to invest, and the fact of Texas, and secured by a first lien that the law in force in Texas at this time is too restrictive and does not permit the investment of insurance funds in all of the securities provided for in this Act, and the further fact that it is desired that this Act shall take effect as soon as possible, creates an emergency and an imperative public necessity, and that the constitutional rule requiring bills to be read on three several days in each House should be suspended, and said rule is hereby suspended, and this Act shall take effect and be in force from and after its passage.

S. B. No. 297 By Sen. Love Moore by request.

### A RILL To Be Entitled

An Act amending Articles 4725 and 4766 of the Revised Civil Statutes of 1925; designating the securities in which the funds of Life Insurance Companies may be invested; providing that the provisions of this Act shall not invalidate any investments heretofore made by a domestic life insurance company, if such investments were legally authorized when made; defining "Texas Securities," and declaring an emergency.

Be it Enacted by the Legislature of the State of Texas:

That Article 4725 of Section 1. the Revised Civil Statutes of the State of Texas of 1925 be and the same is hereby amended so as hereafter to read as follows:

"Article 4725. A life insurance company, organized under the laws of this State may invest in or loan upon the following securities, and none others, viz:

(1). It may invest any of its funds and accumulations in the bonds of the United States, or of any State, county or city of the United States; or in any bonds or interest bearing warrants issued by authority of law by any county, city, town, school district or other municipality or subdivision which is now or hereafter may be constituted or organized under the laws of this State, and is authorized to issue such bonds and warrants under the Constitution and laws of this State, provided legal provision

on real estate; or in any bonds issued under and by virtue of the Federal Farm Loan Act approved July 17, 1916, when such bonds are issued against and secured by promissory notes or obligations, the payment of which is secured by mortgage, deed of trust, or other valid lien upon unincumbered real estate situated in this State; or in first mortgage bonds of any solvent corporation which has paid, out of its actual earnings, dividends of at least five per cent per annum on all of its stock outstanding, for a period of at least five years next preceding the date of such investment and which has not at any time defaulted in the payment of interest on any of its obligations, but in no event shall the amount of such investment in the bonds of any one such corporation exceed five per cent of the admitted assets of the Insurance Company making the investment.)

(2). It may loan any of its funds and accumulations, taking as security therefor such collateral as under the previous subdivision it may invest in, (or taking as collateral, stock in any solvent corporation, which is not in any manner subject to assessments) which has during the five years continuously next preceding the date of such loan paid, out of actual earnings, dividends of not less than five per cent per annum on all of its stock outstanding, and which has not at any time defaulted in the the payment of interest on any of its obligations, provided that the person, firm or corporation to whom such loan is made is solvent and is personally bound for the payment of the obligation secured by such collateral and that the current market value of such stocks shall, at all times during the continuance of said loan, be at least twenty per cent more than the sums loaned thereon, and provided further that the amount of any loan on the stock of any one such corporation shall not in any case exceed five per cent of the admitted assets of the Insurance Company making the loan, and provided further that no such loan shall be made on the stock of the Insurance Company.) It may also make loans upon first has been made by a tax to meet said liens upon real estate the title to obligations; (or in any paving certifi- which is valid and the value of which cates issued by any city in the State is double the amount loaned thereon;

(or on any obligation secured collaterally by any such first liens; if any part of the value of such real estate is in buildings, such buildings shall be insured against loss by fire for at least fifty per cent of the value thereof, with loss clause payable to such Company. It may also make loans upon the security of or purchase of its own policies. No loan on any policy shall exceed the reserve value thereof; no investment or loan, except policy loans, shall be made by any such insurance company unless the same shall first have been authorized by the Board of Directors, or by a committee charged with the duty of supervising such investments or loans. No such Company shall subscribe to, or participate in, any underwriting of the purchase or sale of securities or property, or enter into any such transaction for such purpose, or sell on account of such Company jointly with any other person firm or corporation; nor shall any such company enter into any agreement to withhold from sale any of its property; but the disposition of its property shall be at all times within the control of its board of directors.)

That the provisions of this Act shall not render illegal any investment heretofore made by a life insurance company which investment was authorized by the laws of this State when made.

That Article 4766 of the Sec. 3. Revised Civil Statutes of 1925 be and the same is hereby amended so as to hereafter read as follows:

The term 'Texas "Article 4766. Securities,' as used in this chapter, shall be held to include all bonds issued under and by virtue of the Federal Farm Loan Act approved July 17, 1916, when such bonds are issued against and secured by promissory notes or other obligations, the payment of which is secured by mortgage, deed of trust or other valid lien upon unincumbered real estate situated in this State: bonds of the State of Texas; bonds or interest bearing warrants of any county, city, town, school district, or other municipality or subdivision, which is now or may hereafter be constituted or organized and authorized to issue such bonds or warrants under the Constitution and laws of this State;

tions, the payment of which is secured by a mortgage, deed of trust or other valid lien upon unincumbered real estate situated in this State, the title to which real estate is valid and the market value of which is double the amount loaned thereon, exclusive of buildings, unbuildings are insured such against fire and kept insured in some company authorized to transact business in this State, and the policy or policies transferred to the company taking such mortgage or lien; (obligations secured collaterally by such first lien notes;) first mortgage bonds of any solvent corporation incorporated under the laws of this State and doing business in this State, and which has paid, out of its actual earnings, dividends of at least five per cent per annum on all of its stock outstanding for a period of at least five years next preceding the date of such investment, and which has not at any time defaulted in the payment of interest on any of its obligations, any such investment in the bonds of any one such corporation not to exceed five per cent of the admitted assets of the insurance company making the investment; (obligations collaterally secured by stock in any solvent corporation incorporated under the laws of this State and doing business in this State, which has, during five years continuously next preceding the date of any such loan, paid out of actual earnings dividends of not less than five per cent per annum on all of its stock outstanding, and which has not at any time defaulted in the payment of interest on any of its obligations, but no such loan on the stock of any one such corporation shall exceed five per cent of the admitted assets of the insurance company making the loan, and the current market value of such stocks shall, at all times during the continuance of such loan, be at least twenty per cent more than the sums loaned thereon;) and loans made to policy holders on the sole security of the reserve values of their policies. by this The investments required chapter may be made by the purchase of not more than one building site, more than one office building, or in the purchase, at its reasonable market value, of such office buildpromissory notes and other obliga-ing already constructed and the

ground upon which the same is located, in any city of the State of more than four thousand inhabitants. All real estate owned by life insurance companies in this State, on December 31, 1909, and all thereafter acquired under the provisions of this chapter, or by foreclosure of a lien thereon, shall be treated, to the extent of its reasonable market value, as a part of the investments required by this chapter. And 'Texas Securities' shall be held to include every character of investment authorized by the terms of this article."

Sec. 4. The fact that the Texas life insurance companies have large sums of money to invest, and the fact that the law in force in Texas at this time is too restrictive and does not permit the investment of insurance funds in all of the securities provided for in this Act, and the further fact that it is desired that this Act shall take effect as soon as possible, creates an emergency and an imperative public necessity, and that the constitutional rule requiring bills to be read on three several days in each House should be suspended, and said rule is hereby suspended, and this Act shall take effect and be in force from and after its passage.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred

S. B. No. 298, A bill to be entitled "An Act providing that whenever any person shall procure the issuance of a policy of insurance on his life in any legal reserve life insurance company, and designates in writing the beneficiary to receive the proceeds thereof, the company shall pay any proceeds thereof becoming due on the death of the insured to the person so designated in the absence of a notice in writing of an adverse claim received at the home office of the company, and that any such payments so made in the absence of any such notice received prior to the time of payment shall discharge the company from all liability on the policy; providing that the provisions of this Act shall apply to policies now in existence, as well as to all policies hereafter written, and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in the Journal and not otherwise.

MOORE, Chairman.

By Sen. Love S. B. No. 298 Moore, by request.

## A BILL To Be Entitled

An Act providing that whenever any person shall procure the issuance of a policy of insurance on his life in any legal reserve life insurance company, and designate in writing the beneficiary to receive the proceeds thereof, the company shall pay any proceeds thereof becoming due on the death of the insured to the person so designated in the absence of a notice in writing of an adverse claim received at the home office of the company, and that any such payments so made in the absence of any such notice received prior to the time of payment shall discharge the company from all liability on the policy; providing that the provisions of this Act shall apply to policies now in existence, as well as to all policies hereafter written, and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. Whenever any person shall procure the issuance of a policy of insurance on his life in any legal reserve life insurance company and designate in writing the beneficiary to receive the proceeds thereof, the company issuing such policy shall, in the absence of a notice in writing of an adverse claim to the proceeds received at the home office of the company, pay any such proceeds hecoming due on the death of the insured to the person so designated, and such payment so made in the absence of any such notice so received prior to the date of payment, shall discharge the company from all liability on the policy.

Sec. 2. The provisions of this act shall apply to all policies now in existence as well as to all policies hereafter written.

Sec. 3. The fact that the uncertainty existing in many cases as to whom payment should be made by life insurance companies under poli-

cies results in many interpleader actions and consequent expenses to beneficiaries under policies, creates an emergency and an imperative necessity that the constitutional law requiring bills to be read on three several days shall be suspended, said rule is hereby suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller, President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred

S. B. No. 353, A bill to be entitled "An Act to provide for the organization. incorporation or admission and the regulation and taxation of Mutual Insurance Companies; repealing Chapters 5, 6, 9, 12, 14 and 15, of Title 78, of the Revised Civil Statutes of 1925, and all other laws or parts of laws in conflict herewith; providing a penalty for the violation of the provisions thereof; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in the Journal and not otherwise.

MOORE, Chairman.

By Moore, by request. S. B. No. 353.

## A BILL To Be Entitled

An Act to provide for the organization, incorporation or admission and the regulation and taxation of Mutual Insurance Companies; repealing Chapters 5, 6, 9, 12, 14 and 15 of Title 78, of the Revised Civil Statutes of 1925, and all other laws or parts of laws in conflict herewith; providing a penalty for the violation of the provisions thereof; and declaring an emergency.

Be it enacted by the Legislature of the State of Texas:

Section 1. Any number of persons, not less than twenty, a majority of whom shall be bona fide residents of this State, by complying with the provisions of this Act, may become, together with others who may hereafter be associated with them or their successors, a body corporate for the purpose of carrying

on the business of mutual insurance as herein provided.

- Sec. 2. Any person proposing to form any such company shall subscribe and acknowledge articles of incorporation specifying:
- (a) The name, the purpose for which formed, and the location of its principal or home office, which shall be within this State;
- (b) The names and addresses of those composing the board of directors in which management shall be vested until the first meeting of members;
- (c)) The names and places of residence of the incorporators.

Sec. 3. No name shall be adopted by such company which does not contain the word "mutual," or which is so similar to any name already in use by any such existing corporation, company or association, organized or doing business in the United States, as to be confusing or misleading.

Such articles of incorpo-Sec. 4. ration shall be submitted to the Board of Insurance Commissioners, herein called "The Board," who shall submit them to the Attorney General for examination, and if such articles are prepared in accordance with this Act, the Attorney General shall so certify and deliver such articles of incorporation, together with his certificate of approval attached thereto. to the board, who shall upon receipt thereof issue a certificate of incorporation to the company which shall constitute its authority to commence business and issue policies as hereinafter provided. Such articles of incorporation may be amended in the manner provided for other corporations or as may be provided in said certificate.

The company shall have Sec. 5. legal existence from and after the date of issuance of said certificate. The company shall have such powers as are necessary or incident to the transaction of its business. board of directors named in such articles may thereupon adopt by-laws. accept applications for insurance, and proceed to transact the business of such company; provided, that no insurance shall be put into force until the company has been licensed to transact insurance as provided by this Act.

may hereafter be associated with Sec. 6. Any company organized them or their successors, a body corporate for the purpose of carrying empowered and authorized to write

any kinds of insurance, which may lawfully be written in Texas, except life insurance.

- Sec. 7. No company organized under this Act shall issue policies or transact any business of insurance unless it shall comply with the conditions following, or until the board has, by formal license, authorized it to do so, which license he shall not issue until the corporation has complied with the following conditions:
- It shall hold bona fide applications for insurance upon which it shall issue simultaneously, or it shall have in force, at least twenty policies to at least twenty members for the same kind of insurance upon not less than two hundred separate risks, each within the maximum single risk described herein;
- The "maximum single risk" shall not exceed twenty per cent of ance company is hereby declared to the admitted assets, or three times be incidental to the purpose for the average risk of one per cent of the insurance in force, whichever is the greater, any reinsurance taking effect simultaneously with the policy being deducted in determining such maximum single risk;
- For the purpose of transacting workmen's compensation insurance such company shall have applications from at least fifty employers the by-laws. for insurance on which policies are to be issued covering not less than two thousand employees, each such! employee being considered a separate risk; and the provisions with regard to maximum single risk shall not apply;
- It shall have collected a premium in advance upon each application the total of which premium shall be held in cash or securities in which stock fire or casualty insurance companies are under the Texas law authorized to invest. It shall have and at all times maintain cash and invested assets of not less than fifty thousand dollars, of which at least twentyfive thousand dollars shall be a surplus over and above all liabilities and reserves required by law. If at any time the company shall have assets or surplus in less amount than is required for the issuance of policies and the transaction of business upon organization, the company shall cease writing new business and shall immediately report such condition to the Board of Insurance Commissioners, who may in its discretion order

bilities of the company in some other company transacting business in this State or proceed to a liquidation of the same.

Sec. 8. Any public or private corporation, board or association in this State or elsewhere may make applications, enter into agreements for and hold policies in any such mutual insurance company. Any officer, stockholder, trustee, or legal representative of any such corporation. board, association or estate may be recognized as acting for or on its behalf for the purpose of such membership, but shall not be personally liable upon such contract of insurance by reason of acting in such representative capacity. The right of any corporation organized under the laws of this State to participate as a member of any such mutual insurwhich such corporation is organized and as much granted as the rights and powers expressly conferred.

- Sec. 9. Every member of the company shall be entitled to one vote. or to a number of votes based upon the insurance in force, the number of policies held or the amount of premium paid, as may be provided in
- The policies shall pro-Sec. 10. vide for a premium or premium deposit payable in cash, and except as herein provided for a contingent premium at least equal to the premium or premium deposit. Such a mutual company may issue a policy without a contingent premium while, but only while, it has a surplus equal to the capital required of a domestic stock insurance company transacting the same kinds of insurance, but any such company may issue a policy providing that the holder of any such policy shall be liable for no greater amount than the premium or premium deposit expressed in the policy. If at any time the admitted assets are less than the unearned premium reserve, other liabilities and the required surplus, the company shall immediately collect upon policies with a contingent premium a sufficient proportionate part thereof to restore such assets, provided no member shall be liable for any part of such contingent premium in excess of the amount demanded within one year after the termination of the policy. a reinsurance of the outstanding lia- The board may, by written order, di-

fixed in such order.

Sec. 11. Any director, officer or member of such company, or any other person, may advance to such company, any sum or sums of money necessary for the purpose of its business or to enable it to comply with any requirements of the law and such moneys and interest thereon as may have been agreed upon, not exceeding ten per cent per annum shall be payable only out of the surplus remaining after providing for all reserve, other liabilities and lawful surplus, and shall not otherwise be a liability or claim against the company or any of its assets. No commission or promotion expenses shall be paid in connection with the advance of any such money to the com- and defamatory annual statement.

12. Such Sec. maintain unearned premium and other reserves separately for each kind of insurance, upon the same basis as that required of domestic stock insurance companies transacting the same kind of insurance.

Any such mutual insur-Sec. 13. ance company organized outside of this State and authorized to transact the business of insurance on the mutual plan in any state, district or territory, shall be admitted and licensed to transact the kinds of insurance authorized by its charter or articles to the extent and with the powers and privilages specified in this Act when it shall be solvent under this Act, and shall have complied with the following requirements:

- Filed with the Board of In-(a) surance Commissioners a copy of its by-laws certified to by its secretary;
- (b) Filed with the said Board a certified copy of its charter or articles of incorporation;
- Appointed the Chairman of (c) the said Board its agent for the service of process, in any action, suit or proceedings in any court of this State, which authority shall continue as long as any liability shall remain outstanding in this State;
- (d) Filed a financial statement under oath, in such form as the law applicable to the filing of papers this State, shall be subject to such

rect that proceedings to restore such and furnishing information by stock assets be deferred during the time companies on application for authority to transact its same kind of insurance:

> (e) Its name shall not be so similar to any name already in use by any such existing corporation, company or association organized or licensed in this State as to be confusing or misleading.

Sec. 14. Every such mutual insurance company, whether organized within or without the State, shall be subject, except as otherwise provided by law to all general provisions of law applicable to stock insurance companies transacting the same kinds of insurance, investments, valued policies, policy forms and rates, reciprocal or retaliatory laws, insolvency and liquidation, publication statements. pany, and the amount of such ad-shall make its annual report in such vances shall be reported in each form and submit to such examinations and furnish such information company shall as may be required by the Board. As far as practicable such examinations of mutual insurance companies organized outside of this State shall be made in co-operation with the insurance departments of other states and the forms of annual report shall be such as are in general use throughout the United States.

Sec. 15. That nothing in Act shall be construed to mean that any company or association incorporated or organized hereunder shall be exempt from the provisions of the General Laws of this State, heretofore or hereafter enacted governing the incorporation, organization, regulation and operation of companies or organizations writing insurance in this State.

Any such mutual insur-Sec. 16. ance company organized or admitted to transact insurance in this State may by policy, treaty, or other agreement cede to or accept from any insurance company or insurer reinsurance upon the whole or any part of any risk, which reinsurance shall be without contingent liability or participation or membership, unless the contract provides otherwise, and shall not be affected with any company or insurer disapproved therefor by written order of the Board of Insurance Commissioners filed in his office.

Board may require, and have complied with the other provisions of whether organized within or without Sec. 17. Every such company, fees as are now provided by law for stock companies doing the same kind of business and to such taxes as may be provided by law for such mutual companies. The tax shall be paid upon the gross premium received for direct insurance upon property or risks located in this State, deducting amounts paid for reinsurance in admitted companies, premiums upon policies not taken, premiums returned on cancelled policies and any refund or return made to the policy-holders other than losses.

Sec. 18. Chapters 5, 6, 9, 12, 13, 14 and 15 of Title 78, of the Revised Civil Statutes of 1125, and all other laws, or parts of laws, in conflict with the provisions of this Act are hereby repealed; provided that such repeals and the provisions of this Act shall not apply to or affect any company or association of this State now doing business under the laws repealed, and they shall continue to be governed by the regulatory provisions of such laws. Any company, now transacting business in this State under any General or Special Law, may, however, by resolution of its board of directors, duly approved by the majority of the members, at a meeting specially called for that purpose, and duly certified to by the president and secretary, and filed with the Board of Insurance Commissioners, elect to adopt and become subject to the provisions of this Act, in lieu of any act or acts theretofore governing such company or association. Any company-or association so electing and fully complying with this Act may thereafter affect such kinds of insurance as is authorized by this Act, and specified in its articles of association then in force, or as then or thereafter amended, together with such additional kinds of insurance as are specified in such resolution and authorized by this Act.

Sec. 19. No sort of mutual insurance, other than life insurance, may be conducted in this State except under the provisions of this law, or under some law remaining on the statutes authorizing the same.

Sec. 20. No mutual insurance company operating under the terms of this Act shall declare dividends to its policy-holders in excess of fifty per cent of its net earnings in any one year, until and unless its surplus shall equal or exceed the amount

of capital stock required of a stock company doing the same character of business.

Sec. 21. Any person or corporation violating the provisions of this Act shall be guilty of a misdeameanor, and upon conviction shall be punished by a fine of not less than fifty dollars nor more than five hundred dollars.

Sec. 22. Should any part of this Act for any reason be held to be invalid, unconstitutional or inoperative, no other part or parts thereof shall be held affected thereby, and if any exception to or any limitation upon any general provision herein contained shall be held unconstitutional or invalid or ineffective, the general provision shall nevertheless, stand effective and valid as it has been enacted without limitation or exceptions.

Sec. 23. The fact there is now no adequate law in this State governing mutual companies transacting the business of casualty insurance, constitutes an emergency and an imperative public necessity, which requires that the constitutional rule providing that all bills be read on three several days be suspended, and this Act shall take effect and be in force from and after its passage, and it is so enacted.

Committee Room, Austin, Texas, Jan. 30, 1929. Hon. Barry Miller. President of the Senate.

Sir: We, your Committee on Insurance, to whom was referred.

S. B. No. 354, A bill to be entitled "An Act to regulate the business in insurance on what is known as the Lloyd's Plan, amending all of Chapter 19, Title 78, Revised Statutes of Texas; and declaring an emergency."

Have had the same under consideration and I am instructed to report it back to the Senate with the recommendation that it do pass and be printed in the Journal and not otherwise.

MOORE, Chairman.

Moore by request. S. B. No. 354

## A BILL

#### To Be Entitled

An Act to regulate the business in insurance on what is known as the Lloyd's Plan, amending all of Chapter 19, Title 78, Revised Statutes of Texas; and declaring an emergency.

Be it Enacted by the Legislature of the State of Texas:

That Chapter 19, Title Section 1. 78 of the Revised Statutes of Texas. 1925, and all the Articles therein contained be and the same are hereby amended so as hereafter to read as follows, to-wit:

Art. 5013. "Underwriters" defined. Individuals, partnerships or associations of individuals, hereby designated "underwriters," are authorized to make any insurance, except life insurance, on the Lloyd's Plan, by executing articles of agreement expressing their purpose so to do and complying with the requirements set forth in this chapter.

Art. 5014. "Attorneys." defined. Policies of insurance may be executed by an attorney in fact or other representative, hereby designated "attorney" authorized by and acting for such underwriters under powers all underwriters, whose number shall of attorney. The principal office of not be less than ten. such attorney shall be maintained at such place as may be designated by ing in detail the assets contributed the underwriters in their articles of and/or accumulated in the hands of agreement; provided that no license the attorney in fact, committee of shall be issued to any attorney at a! Lloyd's to bind risks or insurance in Texas, or with citizens of Texas, or covering property in Texas, unless incurred and outstanding and the inof this State and maintain their office in this State.

Art. 5015. Application for cense. the Board of Insurance Commissioners, verified application for license setting forth and accompanied by:

- (a) The name of the attorney and the title under which the business is to be conducted. which title shall contain the name Lloyd's and shall not be so similar to any name or title in use in this State as to be likely to confuse or deceive.
- (b) The location of the principal office.
- (c) The kinds of insurance to be effected, which kinds of insurance may be as follows:
  - 1. Fire insurance, which term shall be construed to include tornado, hail, crop and floater insurance.
  - 2. Automobile insurance, which term shall be construed to include fire, theft, transportation, property damage, collisurance.

- 3. Liability insurance.
- 4. Marine insurance.
- 5. Accident and health insurance.
- 6. Burglary and plate glass insurance.
- 7. Fidelity and surety bonds insurance.
- 8. Any other kinds of insurance, not above specified, the making of which is not otherwise unlawful in this State, except life insurance.
- (d) A copy of each form of policy or contract by which such insurance is to be effected.
- (e) A copy of the form of power of attorney by vritue of which the attorney is to act for and bind the several underwriters and a copy of the articles of agreement entered into between the underwriters themselves and the attorney.
- (f) The names and addresses of
- (g) A financial statement showunderwriters, trustees and/or other officers of such underwriters at Lloyd's, together with the liabilities writers.
- (h) An instrument executed by The attorney shall file with each and all of the underwriters specially empowering the attorney to accept service of process for each underwriter in any action on any policy or contract of insurance, and an instrument from the attorney to such Commissioner delegating the attorney's powers in this respect to such Commissioner.

Art. 5016. License.—Upon compliance with the requirements of this chapter and upon a showing of net assets as provided in the succeeding article, the Board of Insurance Commissioners shall, upon payment of a fee of ten dollars, issue a license to any attorney applying therefor specifying the kind or kinds of insurance which he is authorized to make and containing the name of the attorney, the location of his principal office, and the title under which such business is to be conducted. Such license shall continue in force until the first sion, liability and tornado in- day of March succeeding, at which time it may be renewed for the period

of another year by the Board if and ponsible and solvent insurance carwhen he shall be satisfied from a report filed by such underwriters at Lloyd's showing that the provisions of the law applicable thereto have been complied with, and that such underwriters are entitled to a renewal of such license. Such license shall be renewed from year to year thereafter on the same conditions.

Art. 5017. Assets.—No attorney shall be licensed by the underwriters at a Lloyd's under this chapter unless! the net assets including the guaranty fund contributed to the attorney, a committee of underwriters, trustees or other officers as provided for in the articles of agreement, shall be at least sixty thousand dollars in cash, or convertible, admissible securities; nor shall any attorney be licensed for any underwriters at Lloyd's, nor shall any underwriter at a Lloyd's be licensed to transact more than one kind of business as defined in the third article of this chapter, unless the net assets as they are herein defined belonging to such underwriters at Lloyd's shall be as much as ten thousand dollars additional for each additional kind of insurance designated in the application for license.

Art. 5017a. Limitation of business.—The underwriters at a Lloyd's shall not assume nor write insurance obligations in Texas, nor for citizens of Texas, nor covering property located in Texas which produce a premium income in excess of ten times the net assets of such underwriters, and if, at any time, the liabilities assumed upon such insurance shall produce a premium income greater than ten times such net assets, then no further insurance obligation shall be assumed until the net assets have been increased so as to admit of additional insurance obligations which will produce a premium income not greater than ten times such net assets; provided that when the net assets at Lloyd's shall equal the sum of money which will be required of a stock insurance company doing the same characters of business in Texas, then this limitation upon the volume of business to be written shall not | further; provided further that if in the judgment and discretion of the Board of Insurance Commission such underwriters at a

riers reducing the net lines at risk carried by such underwriters at a Lloyd's so that their operations are safe and their solvency not in danger, then such Commissioner may renew or extend the licenses of such underwriters, irrespective of this limita-

Art. 5017b. Solvency.-In determining the solvency and arriving at the amount of net assets on hand helonging to underwriters at a Lloyd's for the purpose of this chapter, there shall be considered all the funds contributed to the Guaranty Fund by the underwriters and the funds accumulated during the progress of the business and held for such underwriters by the attorney in fact, trustees or other officers. Underwriters at a Lloyd's shall be deemed solvent when the net assets on hand shall meet the requirements of this Chapter, after deducting from its gross assets all outstanding liabilities, including reserve liabilities, and when the contributed guaranty fund at least to the minimum required herein shall be unimpaired.

Reserves. - Under-Art. 5017c. writers at a Lloyd's are required to compute reserve liabilities for all outstanding business and for all incurred losses upon the same basis required for stock insurance companies doing the same classes and character of business in Texas.

Art. 5017d. Investments. assets of underwriters at a Lloyd's shall be invested in such property and securities as the assets of a stock insurance company doing the same sort of business may be invested in, except estate, or they may be held in cash.

Art. 5017e. Control of Net Assets.-The assets of underwriters at a Lloyd's to the extent of the minimum required under the provisions of this Chapter shall be submitted to and subjected to the joint control of the underwriters at a Lloyd's or the attorney in fact for such underwriters, and the Board of Insurance Commissioners, in some manner satisfactory to the Board so that the same may not be withdrawn or diverted, or expended, except with the approval of the Board, and for the purposes provided for in this Chapter. Such Lloyd's shall have effected reinsur- underwriters, however shall be enance, or other contracts, with restitled to the interest accruing from

such property or securities as may be suing policies and contracts of inplaced under the joint control of such underwriters and the Board as and when the same is payable.

Art. 5018. Examination of Affairs.—The Board of Insurance Commissioners is hereby required to make an annual examination either in person or through a duly appointed Examiner of the books and affairs of the attorney for underwriters at a Lloyd's, or of any attorney for such underwriters at a Lloyd's wherever such books may be kept, and its affairs may be conducted. The expense of such examinations must be borne by the underwriters; and the attorneys and their deputies shall facilitate such examination and furnish all such information which the Commissioner may demand.

Annual Reports .-Art. 5018a. The underwriters at a Lloyd's and the attorneys for such underwriters, shall annually file with the Commissioner of Insurance a verified report of the business done by such underwriters during the previous year, and of the condition of its affairs, together with such other information as the Board of Insurance Commissioners may demand; such reports shall be filed upon blanks prepared by the Commissioners and shall cover the report of all the business of such underwriters, wherever the same may be conducted.

Limitation of Lia-Art. 5018b. bility.—An underwriter at Lloyd's may limit his liability by contract with the persons insured to the proportionate part of the loss represented by the ratio his subscription paid in bears to the total guaranty fund contributed by all the underwriters; but the liability may not be limited to a definite amount in the Board of Insurance Commission-This provision, however. money. need not apply to underwriters at Lloyd's now operating in Texas under permit to do business, but must apply to any hereafter authorized.

Art. 5019. Liability of Substitutes.-Additional or substituted underwriters shall be bound in the same manner and to the same extent as original subscribers to the articles of agreement and power of attorney on file with the Board; and the Department a fee of two dollars. the acts of the duly appointed deputy or substitute attorney of any attorney licensed under this chapter shall prevail. in accepting powers of attorney from underwriters and in making and is- Whenever it shall appear to the

surance and in doing any additional acts incident thereto shall be deemed authorized by the license issued to the original attorney.

Art. 5019a. Division of Profits.-No distribution of profits shall be made between underwriters except upon the basis of actual contribution in cash or convertible securities, disregarding any obligation or subscription to pay in additional cash or securities at a later date.

Art. 5020. Assuming Risk.—No attorney for underwriters at a Lloyd's shall assume any one insurance risk exceeding one-tenth of the amount of the net assets of the underwriters as defined in this chapter, unless such excess shall be promptly reinsured, in some solvent insurance carrier approved by the Commissioner.

Art. 5021. Action on Policy.— Action on any policy or contract of insurance made by the attorney for the underwriters may be brought against the attorney or against the attorney and the underwriters or any of them. In such action, summons and process shall be served on either Commissioner of Insurance or on the attorney in fact and when so served shall have the same force and effect as if served on the attorney and on each underwriter personally. judgment in any such action against the attorney or against any of the underwriters shall be binding upon and be a judgment against each and all of the underwriters as their several liabilities may appear in the contract of insurance in which the action is brought.

Any such summons or other process shall be served in duplicate, and ers shall forthwith by registered mail send one copy thereof to the attorney for the underwriters at the principal office designated in the application for license or latest amendment thereof. The party commencing any action against the underwriters at a Lloyd's and securing service of process in this manner shall at the time of such service pay to such Commissioner for the use of which he shall be entitled to collect as taxable costs in the action if he

Art. 5022. Winding up Affairs.-

Board that the underwriters at a Lloyd's are insolvent as that term is defined in this chapter, the Board shall immediately give notice to the underwriters for such Lloyd's to appear and show cause why the license of such underwriter shall not be revoked, and if within thirty days from the giving of such notice the impairment or insolvency shall not be made good by such underwriters, or their attorney, such license shall immediately be cancelled. If such attorney or other person shall make any advancement to make good such impairment, the claim for such advancement against the assets of such underwriters shall be deferred to the claims for losses under policies or contracts of insurance. If such impairment is not made good within the time prescribed, then the Board shall proceed to take charge of the assets of such underwriters. and to effect a reinsurance of all business outstanding in Texas or covering property located in Texas, and for that purpose, he shall have the right to use the net assets over which he has joint control, as well as such other assets as may be on hand with such underwriters, or their attorney in fact, and to make provision for the payment of outstanding claims and losses. In case reinsurance cannot be effected by the Commissioner, then the affairs of such underwriters at Lloyd's shall be wound up through receivership proceedings instituted by the Attorney General of Texas at the request of the Board.

In case underwriters at a Lloyd's while solvent, shall desire to withdraw from the insurance business, they may be permitted to do so and shall be entitled to a return of the net assets over which the Commissioner has joint control, if and when they shall satisfy the Board that adequate provision has been made through reinsurance or otherwise for the payment of all unadjusted losses, and for reinsurance of all outstanding risks in favor of citizens of Texas, or covering property in Texas. Until the Commissioner is so satisfied, he shall not under any circumstances release to such underwriters the net assets over which he has been given joint control.

Art. 5022a. Foreign Lloyd's.—In maintain their principal office outside! amount of the premium or compen-

of Texas, apply for a permit to do business in Texas, such permit shall not be granted unless such underwriters have and maintain net assets in Texas which are subject to the joint control of their attorney in fact, and the Board of Insurance Commissioners of this State sufficient to meet the minimum requirements of this chapter relative to the amount of net assets which underwriters at a Lloyd's must have, or unless they submit to and file with the Board a bond executed by such corporate sureties as the Board may require (which corporate sureties must be licensed to do guaranty, fidelity and surety business in Texas) in a principal amount which would be required for net assets of under-writers at Lloyd's under foregoing provisions of this chapter, which said bond shall be payable to the Board of Insurance Commissioners, and which shall be conditioned for the payment of all claims arising upon contracts issued in Texas, or issued to residents and citizens of Texas, or covering property located in Texas, and which bond shall be held by the Board for the benefit of all persons having valid claims arising upon contracts issued in Texas. or to residents or citizens of Texas. or covering property located in Texas. It shall also provide that in the event the underwriters shall become insolvent or cease to transact business in this State at any time when there are outstanding policies of insurance in favor of citizens of this State, or upon property in this State, the Board shall have power, after having given ten days' notice to the attorneys for such underwriters, or any receiver in charge of its property and affairs, to contract with any other insurance carrier transacting business in this State for the assumption and reinsurance by it of all the insurance risks outstanding in this State of such underwriters, which contract shall also provide for the assumption by such reinsurance carrier for all outstanding and unsatisfied lawful claims then outstanding against such underwriters. In the event of the Board making any such contract, and if the same shall be approved as reasonable by the Attorney General, the reinsurcase underwriters at a Lloyd's who ing carrier shall be entitled to recovare non-residents of Texas, or who er from the makers of such bond the

sation so agreed upon for such reinsurance. Such bonds shall also bind any additional or substitute underwriters at such Lloyd's. Any underwriters desiring to do so may, at their option, in lieu of giving the bond required by this article, submit securities of any kind in which it may lawfully invest its funds to the joint control of its attorney in fact and the Board of Insurance, upon such terms and conditions as will in all respects afford the same protection and indemnity as herein provided for to be afforded by said bonds.

If there shall be any recovery upon the bond or from the deposit hereinabove provided for, then the Board shall immediately demand additional security so as to bring the amount of the bonds up to the minimum sum required hereunder, which additional bond must be posted within thirty days from the date of such demand. Provided, there may be successive recoveries in said bond until the principal sum thereof is exhausted.

Foreign Lloyd's, Art. 5022b. Con't.—All of the provisions of this Chapter except as the same are modified by the foregoing Article, are applicable to underwriters at a Lloyd's who are non-residents of Texas, or who maintain their principal office outside of Texas, in the same manner that they are applicable to underwriters of a Lloyd's who are residents of Texas and who maintain their principal office in this State.

Art. 5022c. Revocation and Suspension of License.-If any underwriters at a Lloyd's shall violate any of the provisions of this Chapter, or any of the other laws of the State of Texas, which are applicable to them, their license shall be revoked and their right to do business in Texas shall be cancelled.

Art. 5023. This Law Exclusive. Except as herein provided no other insurance law of this State shall apply to insurance on the Lloyd's plan unless it is specifically so provided in such other law that the same shall be applicable.

Lloyd's Shall not Be Art. 5024. Promoted.-No funds shall be collected or charged by any person in connection with the organization of or fees for the sale of "Units" or in- nor Barry Miller.

terest in the business, nor in any firm or corporation organized, designed or intended to operate or manage the Lloyd's or to be attorney in fact therefor, in excess of five hundred dollars, which shall not include the cost of supplies necessary to begin the insurance business in contemplation, nor the cost of attorneys fees in connection with such organization.

Section 2. The fact that the present law does not adequately protect public against insolvency of Lloyd's and the further fact that the present law does not in any manner restrict the operation of insurance upon the Lloyd's plan either as to amount of business or the manner of the conduct of such business, and the further fact that the present law does not contemplate any regulation over whatsoever Foreign Lloyd's, and the increasing number of instances in which persons outside the State of Texas are undertaking to secure permits in Texas to do business upon the Lloyd's plan, and the great volume of legislation upon the calendar at this Session, creates an emergency and an imperative public necessity demanding the suspension of the constitutional rule requiring all bills to be read on three several days in each House, and that this Act shall take effect from and after its passage, and said rule is hereby suspended, and it is so enacted.

## Senator Hyer's Reasons for Vote on S. B. No. 150.

Senator Hyer explains his vote on S. B. No. 150 as follows:

I vote against this bill because the Attorney General has rendered an opinion that the same is unconstitutional and because permission was refused to lay the same on the table until that matter could be investigated. I would not vote for any measure considered by the highest elective legal authority to be illegal, invalid and unconstitutional.

## EIGHTEENTH DAY.

Senate Chamber. Austin, Texas, Thursday, Jan. 31, 1929,

The Senate met at 10 o'clock a. m., an insurance business upon the pursuant to adjournment, and was Lloyd's plan by way of commissions | called to order by Lieutenant Gover-